# 2015 ANNUAL REPORT

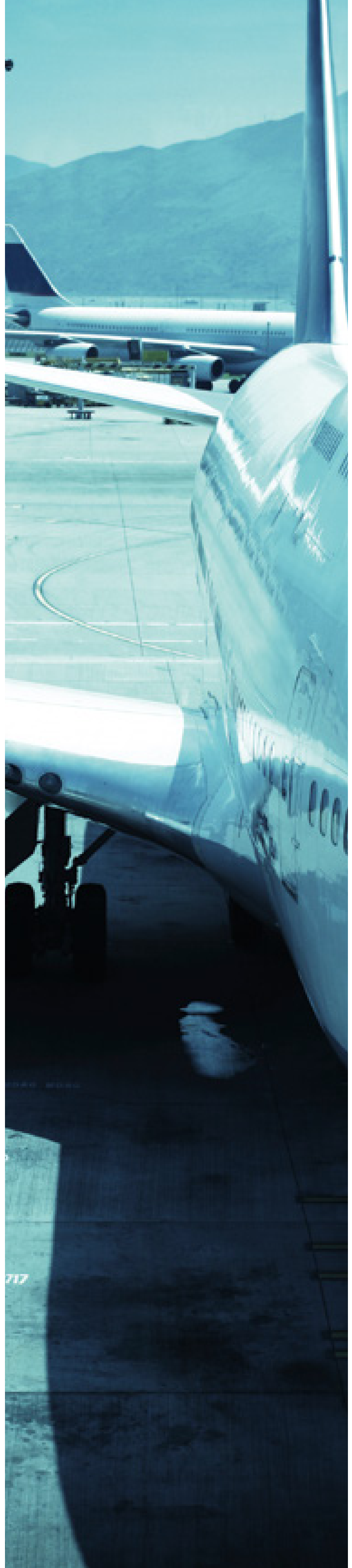
CLASQUIN

OVERSEAS FORWARDING & LOGISTICS EXPERTS

AIR & SEA FREIGHT FORWARDING AND OVERSEAS LOGISTICS

**5 CONTINENTS • 20 COUNTRIES • OVER 50 OFFICES**





# Contents

# INTRODUCTION

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

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

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

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

Driven by the commitment of its 674 employees in its 55 offices, the CLASQUIN Group achieved its objectives in 2015 and consolidated its unique competitive position.

This pivotal year will be characterised by the continued search for acquisition opportunities, the opening of new offices, the increase in operating profit and the improvement in governance, the objective of which is to create the necessary conditions to ensure the sustainability of the company and build the CLASQUIN of the future.

Review of an eventful year.

# INTERVIEW WITH THE CHAIRMAN

*"2015 - a wonderful year"*

*What are your thoughts about the past year?*

2015 was a wonderful year for CLASQUIN, with two major events, i.e. the LCI acquisition on 1st of April and the disposal of GUEPPE at the end of the year. LCI is an excellent company which adds a new offer to the Group's services, particularly in the North African region. It fits in perfectly within our structure. As regards the disposal of GUEPPE, it is in line with our objective to focus on our core business. From an economic point of view, GUEPPE will remain a good deal for the Group.

Our growth ratios are highly satisfactory (+21.4% in number of shipments, +27.5% in gross profit). They also reflect the impacts of acquisitions and exchange rates. The margin per shipment is interesting, as it improved substantially compared to 2014, which was a year of strong business growth.

Most of our subsidiaries have seen an improvement in their performance. India and Italy now post positive results. However, performance in the USA fell short of our expectations. We have broadened our geographical coverage with the acquisition of LCI: Three new offices in France and one in Tunisia, as well as new prestigious clients have further enhanced our already significant and diversified portfolio.

We also achieved a very good year in terms of recruitments. We have managed to attract new talent in all regions and for most functions (Front Office, Operations, Back Office). We also rewarded our most promising employees through promotions.

As regards IS IT, we have chosen the world leader Verizon to roll out our new network infrastructure, and this should lead to an improvement in our operational performance. The new version of our CRM tool will optimise our client proximity and improve our sales performance. Lastly, the new TMS (Transport Management System) project is progressing in a serious and structured manner.

### How did the recent acquisitions contribute to these results?

We have already talked about the role played by LCI in last year's excellent performance. More precisely, LCI's contribution to the Group's results was very positive with +€12.9m of sales and +€4.7m of gross profit over 9 months.

### And what about the Group's strategy?

The long-term strategy for CLASQUIN hinges on two factors: geographical development and product offering.

The objective is to continue our geographical development stretching east and west focusing on our three pillars: Asia, Western Europe and North America. Other than these areas, we are also interested in dynamic business areas such as the Near and Middle East. In the other geographical areas (Southern hemisphere including Africa), our objective is not to invest but simply to develop partnerships.

We have been applying the same business model for the last 25 years. We will therefore continue to acquire new market shares wherever we are present and will not overlook any acquisition opportunity if it makes sense.

Generally, our product offering is increasingly geared to Supply Chain Management. For example, this concerns storage, order preparation, distribution, very specific trading, etc. Given that organisation is in our DNA, our company is geared towards finding innovative solutions for our clients, and some wonderful success stories are leading the way: packaging operations in Hong Kong, quality control in China and Bangladesh. Lastly, we are increasingly connected to our clients and to our entire ecosystem.

### Why is it important to improve the Group's governance?

At CLASQUIN, as in any company on a strong growth trend, governance has undergone constant development. Historically, this has been achieved in steps.

There were two departures in 2015 including that of Alain Dumoulin, Group COO, who retired.

The job advertisements at the beginning of this year reflect this continuity. They are consistent with our desire to have resources that match our ambitions.

At CLASQUIN we have always promoted a meritocratic system in which managers of the Group thrive. The promotion of Hugues Morin (46) who became the No. 2 of the Group falls within this rationale. The arrival of Quentin Lacoste (46), Group COO, who spent more than 20 years at Röhlig in Germany, is undoubtedly an opportunity to step up the expansion of our operations. Lastly, Laurence Ilhe (44) joined the Group as General Secretary at the beginning of 2016.

### What are your expectations for 2016?

The growth prospects for world trade remain moderate (around 2%). As far as we are concerned, we are expecting a growth rate above that of the market. At the beginning of this year, we completed the acquisition of a small customs business in New York. We will continue to consider acquisition opportunities and work hard to improve the results of the less efficient subsidiaries.

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

# History of double-digit growth

**IN 1983, YVES REVOL, THEN CLASQUIN SALES DIRECTOR, LED THE TAKEOVER OF THE COMPANY. CLASQUIN HAD ONLY ONE OFFICE IN LYON AT THE TIME.**

## 1983|89

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

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

Sales[1983] 1.5 €m
GP 0.3 €m
EBIT N/A

## 1990|93

CLASQUIN entered a new stage in its development. Business operations expands to sea freight.

Sales[1990] 15.0 €m
GP 4.3 €m
EBIT N/A

## 1994|99

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

Sales[1995] 30.9 €m
GP 7.9 €m
EBIT 0.3 €m

## 2000|04

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

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

Sales[2000] 60.9 €m
GP 15.7 €m
EBIT 1.8 €m

## 2006

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

Sales[2006] 106.0 €m
GP 23.9 €m
EBIT 3.5 €m

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

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

## 2010|11

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

Total reshuffling of CLASQUIN ITALIA.

Sales 2014 211.5 €m
GP 50.4 €m
EBIT 4.3 €m

## 2012|14

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

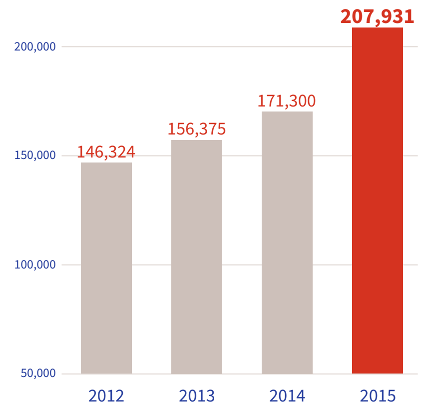
Sales 2015 234.2 €m
GP 55.6 €m
EBIT 6.7 €m

## 2015

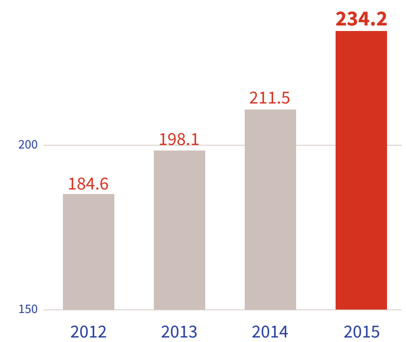
Despite a rather sluggish environment, CLASQUIN witnessed a very good year (number of shipments up 21.7%, gross profit up 27.5%, EBIT up 113.2% and a 60.1% increase in net income). This performance is due to the impacts of acquisitions, in particular the LCI acquisition on 1 April. The network is expanding and most subsidiaries are experiencing growth. CLASQUIN's appeal helps it attract new talent and secure new prestigious clients. The disposal of GUEPPE CLASQUIN at the end of the year was in keeping with the Group's objective to focus on its core business.

# 2015 CLASQUIN **FINANCIAL** OVERVIEW

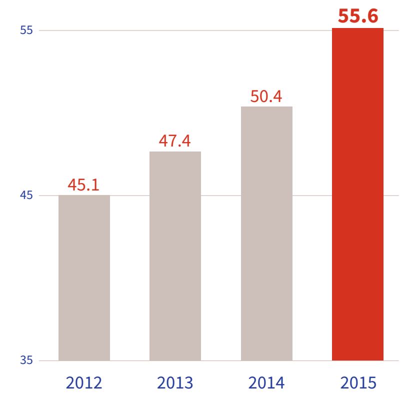
## NUMBER OF SHIPMENTS




## SALES (€M)




## GROSS PROFIT (€M)

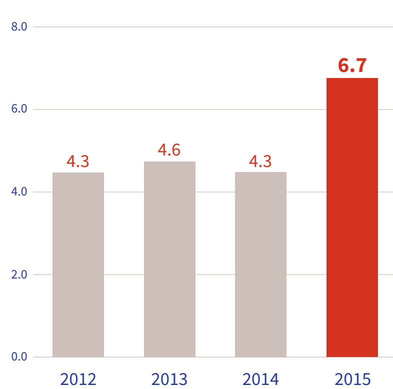



## SEA FREIGHT BUSINESS

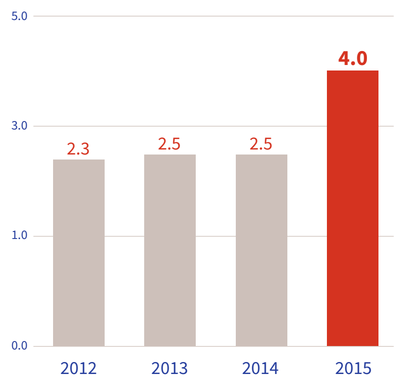
| | NUMBER OF TEUs* | GROSS PROFIT (€M) | NUMBER OF SHIPMENTS |
|---|---|---|---|
| 2015 | 122,884 | 27.8 | 98,908 |
| 2014 | 104,410 | 22.5 | 92,090 |
| 2013 | 85,138 | 20.6 | 81,595 |
| 2012 | 84,895 | 18.5 | 73,487 |

* Twenty-foot Equivalent Units

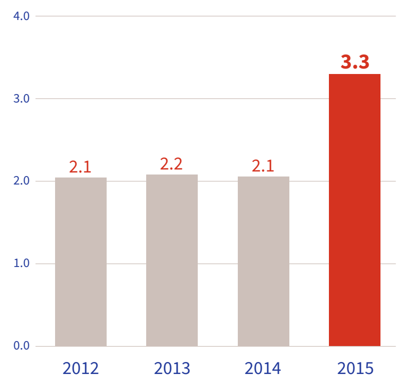
## CURRENT OPERATING INCOME (€M)



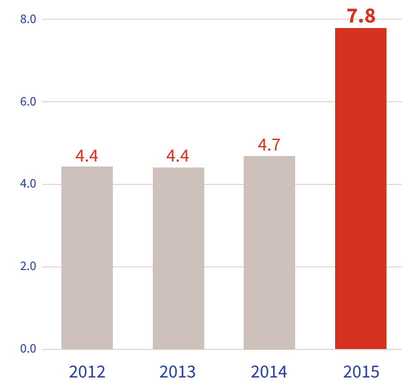

## CONSOLIDATED NET PROFIT (€M)




## NET PROFIT GROUP SHARE (€M)




## OPERATING CASH FLOW (€M)



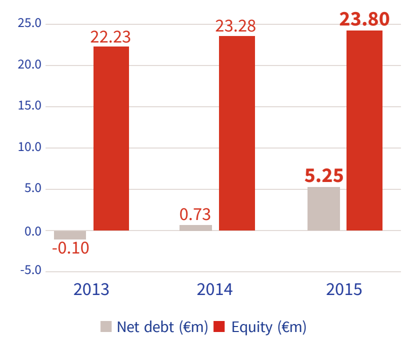


| TONNAGE | |
|---|---|
| 2015 | 50,586 |
| 2014 | 49,068 |
| 2013 | 44,792 |
| 2012 | 41,659 |

| GROSS PROFIT (€M) | |
|---|---|
| 2015 | 19.1 |
| 2014 | 16.6 |
| 2013 | 15.7 |
| 2012 | 16.2 |

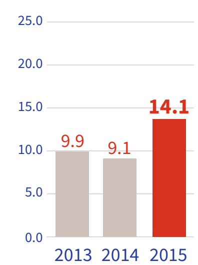
| NUMBER OF SHIPMENTS | |
|---|---|
| 2015 | 70,554 |
| 2014 | 65,274 |
| 2013 | 61,275 |
| 2012 | 59,896 |

## GEARING

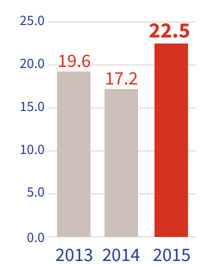



| | 31.12.2013 | 31.12.2014 | 31.12.2015 |
|---|---|---|---|
| GEARING RATIO | -0.5 % | 3.1 % | 22.1 % |

## ROE (%)




## ROCE (%)



# Governance




## IMPROVEMENT IN GOVERNANCE AND STABLE MANAGEMENT

Forging CLASQUIN's future in keeping with its unique positioning and development plan, getting ready to address new client challenges, adapting to market developments and new technologies - these are the rationales that have guided the introduction of a new governance structure at the beginning of 2016, centred around Yves Revol, its Chairman & CEO since 1983. To implement the Company's strategy, Hugues Morin has been promoted to Group Executive Vice President and two new members have joined the Executive Committee: Quentin Lacoste (Group Chief Operating Officer) and Laurence Ilhe (Group General Secretary). This new team will undoubtedly step up the Group's growth and performance. The governance of the CLASQUIN Group is structured around three key bodies: the Board of Directors (the Board), responsible for the Group's strategy and overall policy, the Executive Committee (EXCOM) responsible for its management, and the General Management Committee (GMC) responsible for the operational implementation of its projects and activities.

## A. The Board of Directors

The Board of Directors approves the Company's strategy and overall policy, appoints corporate officers, approves capital expenditure, oversees management and ensures the quality of information provided to shareholders. The Board of Directors met 7 times during financial year 2015. The average attendance rate of Board members (present or by proxy) during financial year 2015 was 97%. At 31 December 2015, the Board members were:

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

## B. Executive Committee

The Executive Committee, which meets every Monday morning, is the Group's steering body responsible for defining strategy and overall policy and approving capital expenditure. At 31 January 2016, the Executive Committee comprised:

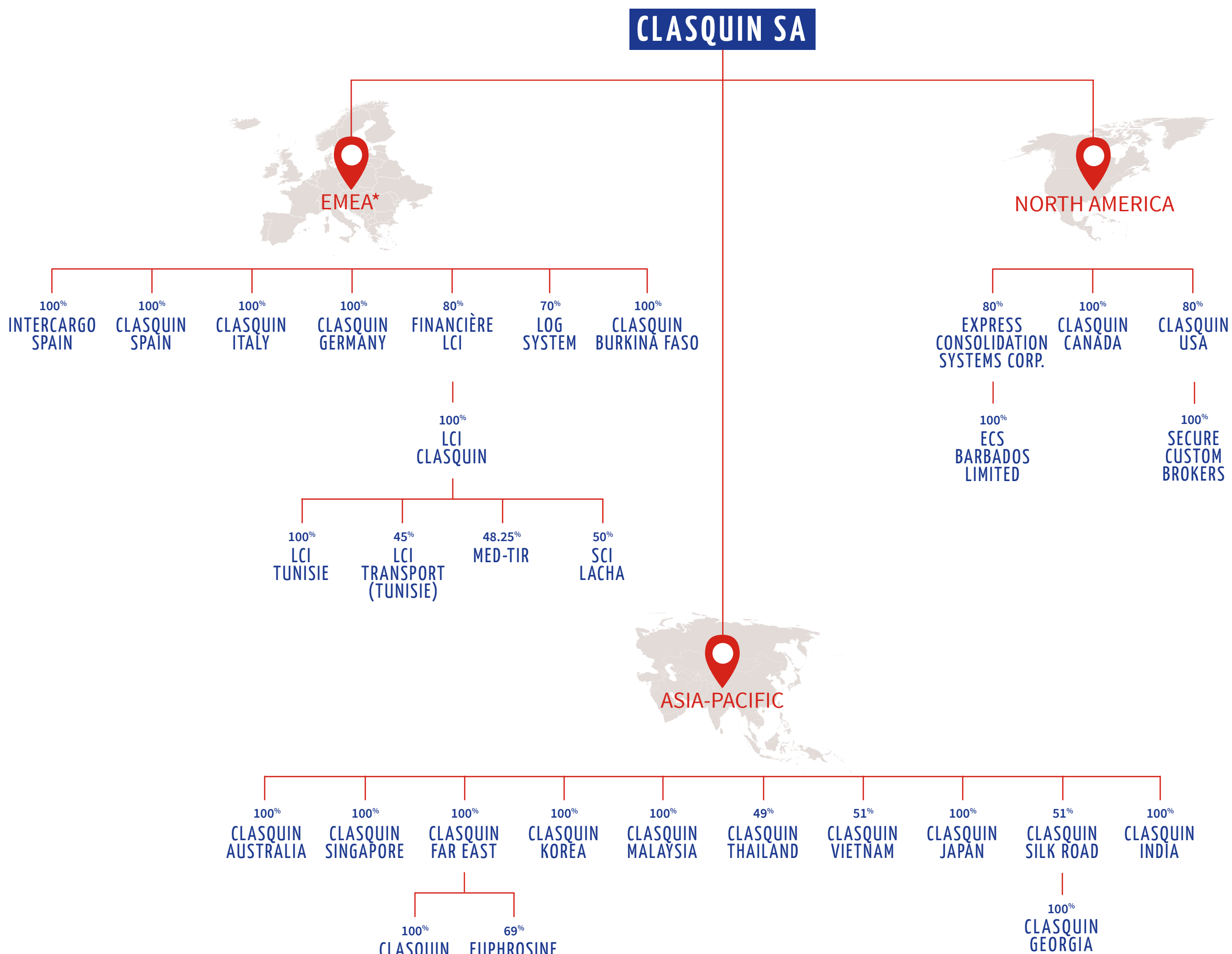
- Yves REVOL, Chairman & CEO,
- Hugues MORIN, Group Executive Vice President,
- Quentin LACOSTE, Group Chief Operating Officer (COO),
- Laurence ILHE, Group General Secretary, Group VP RH and CIO.

## C. General Management Committee

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

## D. Organisational chart

At 31 December 2015, the Group's parent company directly and indirectly controlled all of the following companies:




*Europe Middle East Africa

## GENERAL MANAGEMENT COMMITTEE

### Frank ACHOUCH
Managing Director GREATER CHINA

A Masters graduate in International Management, for over 20 years Frank Achouch held various commercial and managerial positions in CMA-CGM, then SAGA, Eagle Global Logistics and B&A. He joined CLASQUIN in 2010 as Managing Director Hong Kong & South China, and was promoted to Managing Director GREATER CHINA in July 2012.

### Olivia BOYRON
Group VP Legal Affairs

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

### Yves REVOL
Chairman & CEO

Chairman of the Executive Committee

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

### Hugues MORIN
Group Executive Vice President

Member of the Executive Committee

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

### Deben GHOSH
Director INDIA, MALAYSIA, SINGAPORE & VIETNAM

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

### Enrique FORCANO ROYO
Managing Director SPAIN & INTERCARGO

Long-haul captain trained at the Spanish Merchant Naval College, and then a graduate of Washington State University and ESADE in Barcelona, Enrique Forcano Royo spent 15 years in the merchant navy. In 1980, he joined the TI Intercargo group and became its General Manager in 1999. He has managed CLASQUIN's business in Spain since the acquisition of INTERCARGO in 2012.

### Philippe LONS
Group Chief Financial Officer

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

**Quentin LACOSTE**
Group Chief Operating Officer

Member of the Executive Committee

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

**Laurence ILHE**
Group General Secretary, Group VP RH and CIO

Member of the Executive Committee

A graduate of ESSEC, Laurence Ilhe began her career as an auditor, before joining JC Decaux, then Dell Computer, followed by SFR Mobile and Danone. In 2012 she joined Akka Technologies as CFO France and took command of all back office functions. She joined CLASQUIN at the end of January 2016 as Group General Secretary, responsible for managing and coordinating support services (Legal, Finance, Information Technology, Human Resources, non-business Purchasing).

**David CANARD VOLLAND**
Group VP Supply Chain Management

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

**Michel FUCHS**
Chief Executive Officer ECS USA

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

**Emmanuel THUAL**
Chief Operating Officer France

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

**Didier VANDERPERRE**
President CLASQUIN USA

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

**Jean-Marc WILLIATTE**
Group VP Marketing & Communications

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

# Specialist in International Freight Management



Philippe, CLASQUIN Tokyo
Tina, CLASQUIN Séoul
Adrien, CLASQUIN Paris

# A/ Architect and project manager of the overseas logistics chain

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

In addition to freight forwarding, CLASQUIN offers comprehensive customised logistics solutions, adapted to the specific needs and demands of each client, and to the various types of goods and regions involved.

These solutions guarantee an optimised process: a single point of contact for clients, end-to-end management of all overseas shipments, selection of the best sub-contractors, costs and transit times kept to a minimum.

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

## 2. Solutions controlled by its experts at every stage

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

CLASQUIN operates from the main ports and airports across the world through its integrated and WFA (World Freight Alliance) networks enabling it to adapt its sea and air freight solutions to client needs:

It organises, coordinates and supervises each stage of the logistics chain:

CLASQUIN is IATA-certified and a regulated air safety agent.

**OVERSEAS**
**AIR-SEA FREIGHT**

DOCUMENTATION

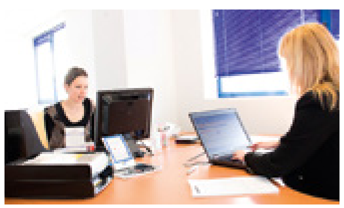
VARIOUS PRE-SHIPMENT OPERATIONS*

CONSOLIDATION CONTAINERISATION

ORDER PICKING

INBOUND WAREHOUSING

GOODS PICK-UP



BREAK BULK

CUSTOMS CLEARANCE

VARIOUS OPERATIONS ON ARRIVAL*

ORDER PICKING

DISTRIBUTION TO SITE

*Examples: Quality controls, assembly, etc.

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

Where international trade is concerned, customs is a sensitive issue and regulations are constantly changing. Poorly managed, it can generate delays, increase costs or even result in penalties being incurred.
CLASQUIN provides customised support to clients for all customs-related services through personalised appointments or "Meet with Experts" meetings organised throughout the year.
It also offers clients assistance in their In-House Customs Clearance Procedures and in obtaining AEO status, which CLASQUIN obtained in 2010.

### FOCUS "MEET WITH EXPERTS" IN 2015

The objective of the "Meet with Experts" meetings is to inform existing and potential clients of issues relating to CLASQUIN's core business.

In 2015, three meetings were held on security and optimisation solutions relating to customs procedures. The topics covered, which reflect the latest customs-related news and the numerous regulatory developments expected in May 2016, were as follows:

- AEO status (Authorised Economic Operator),
- the simplified procedures,
- the reversal of VAT liability,
- the new Union Customs Code.

Five "Meet with Experts" meetings are scheduled for 2016: Bordeaux, Tours, Nantes, Toulouse and Marseille.

## 2.3 UPSTREAM AND DOWNSTREAM: CREATING AND COORDINATING INNOVATIVE LOGISTICS SOLUTIONS

CLASQUIN is able to offer numerous upstream and downstream logistics solutions to optimise its clients' logistics chains (end-to-end management of shipments, reduced transhipment of cargo and number of carriers, personalised service, etc.):

After opening its first quality centre in Shanghai in spring 2011, CLASQUIN extended its services package from February 2012.

A modern 1,300 m² facility in Dhaka, Bangladesh, offers clients a unique tool to organise and improve the quality inspection process for their finished products.

In this new organisational structure, packaging and quality inspections of products are no longer carried out in several factories but in a central, impartial inspection site.

We should note that, looking beyond issues that make up the control of product quality for importers, whether for economic, commercial, safety, health, legal or environmental reasons, there are certain key advantages:

- accelerated inspection cycle,
- reduced inspection costs,
- more reliable inspections and improved compliance levels,
- improved integrity of the supply chain,
- simplified workflows, etc.

CLASQUIN supports clients expressing strong demand, regardless of the industry in which they operate, by rolling out these value-added services.


Meet with Experts in Nantes on Customs-related issues in 2016.

## FOCUS — LOGISTICS SERVICES IN SHANGHAI FOR A CLIENT IN THE PHARMACEUTICAL INDUSTRY

A client in the pharmaceutical industry was looking for a warehouse under controlled temperatures in Shanghai in order to consolidate orders and to manage inventories, repackaging, order preparation and the distribution of active ingredients throughout the world.

This warehouse had to meet very specific criteria:

- two distinct temperature ranges: +5°C (+2 to +8°C) and +20°C (+15 to +25°C),
- monitoring of the said temperature,
- dedicated and trained personnel,
- traceability of stock, batch numbers and expiry dates,
- clean and free of pests.

Such a warehouse, in the required form, did not exist. CLASQUIN SHANGHAI decided to set up a partnership with an existing logistics coordinator to build it, thereby fully meeting the client's requirements and the rules of best practice applicable in the pharmaceutical industry.

This warehouse, which covers an area of 3,000 $m^2$ has been operational since 1 July 2015. It is manned by two dedicated employees, and over 43,000 barrels with a total weight of more than 1,260 tonnes have been managed since it was commissioned.

## 3. Teams striving for continuous improvement

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

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

Fabien, Jérémie, and Séverine,
CLASQUIN OTO team

# B/ The overseas market

## 1. A market closely pegged to changes in global trade

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

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

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

After the initial slump following the crisis and since 2010, logistics and international transport market players have had to cope with a low market growth environment, particularly in Europe. Accordingly, competition has further intensified among the companies operating in this sluggish market.

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

The recovery in 2014 fell somewhat short of the strong turnaround predicted by most forecasting organisations (up 2.8%), and forecasts have been revised downwards. In fact, the world trade volume grew by only 2.8% in 2015. 2015 was the fourth consecutive year during which annual world trade volume grew by less than 3%, while it was twice as high in the 1990s and the beginning of the 2000s (source WTO).

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

### OUTLOOK FOR INTERNATIONAL TRADE IN 2016

Growth in international trade is expected to pick up in 2016 to reach 3.9% (source WTO), which is still below the average of 5% recorded over the last 20 years (1995-2015).

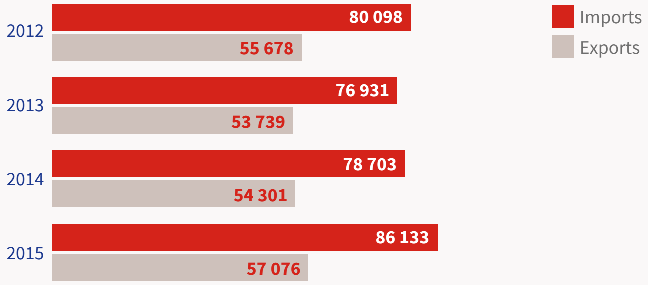
Given current trends in international trade, particularly to and from Asia, the overseas market remains very much a growth market in the long term.

### FOCUS — 2015 FRANCE-ASIA TRADE

After imports slumped 4.4% and exports 3.5% in 2013, imports from Asia to France increased by 2.3% in 2014, with exports increasing by only 1%.

In 2015, trade with Asia strengthened, with imports increasing by 9.4%. Exports were also buoyant, posting an increase of 5.1%, driven by China.

**France-Asia trade*** (in billions euros)




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

## 2. Market players

In all logistics chains, the flow of goods between manufacturer and consumer must be managed. A large number of logistics contractors are therefore going to be involved.
Merrill Lynch classifies these different operators according to the extent to which they outsource or sub-contract logistics operations.

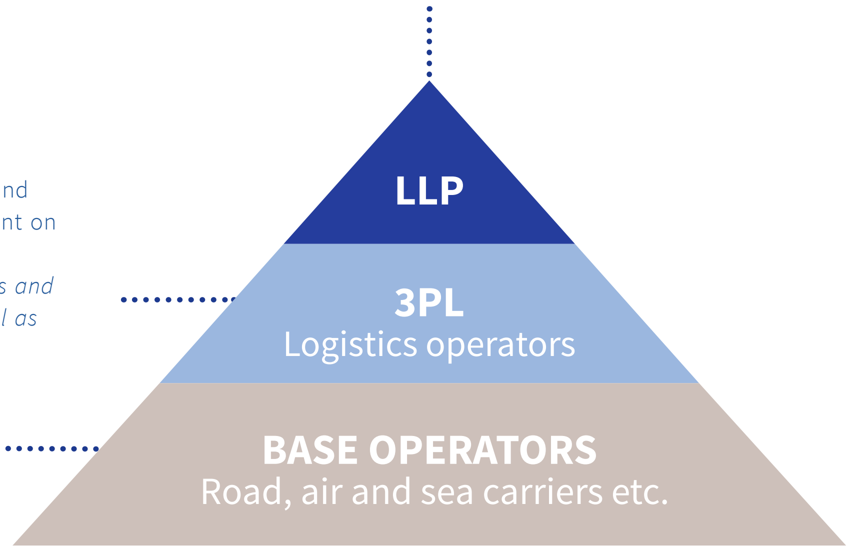
**LEAD LOGISTICS PROVIDERS**

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

**3PLs**

(Third Party Logistics Providers)
These logistics operators add storage, packaging and order preparation operations to transport management on behalf of their clients.

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




**OPERATORS**

Operators are those owning the means of transport.

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

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

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

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

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

They account for 55% of the global market[a]. They face continuous pressure with regard to volumes, prices, production costs and are subject to sudden fluctuations in exchange rates. Fifteen out of these 20 companies posted a decline in revenues in dollars in 2015 compared to 2014[b]. They must therefore join the trend towards market consolidation and continuous restructuring.
Full-year 2015 and the first quarter of 2016 have thus seen major mergers and acquisitions:

- acquisition of the TOLL Group by Japan Post (Feb. 2015),
- acquisition of Norbert Dentressangle (April 2015) and Conway (Sept. 2015) by XPO Logistics,
- acquisition of OHL by Geodis (Aug. 2015),
- acquisition of UTI by DSV (Jan. 2016).

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

These companies are deeply rooted in their specific regional characteristics and, for the most part, are limited in their capacity to grow due to their size. They also face strong demand from clients (door-to-door service, tools for monitoring and integrating logistics flows, etc.).

These market consolidation and restructuring trends are likely to continue in 2016 and will gradually result in the emergence of new players.

*(a) source Global Freight Forwarding 2014 report published by Transport Intelligence. http://theloadstar.co.uk/forwarding-business-model-under-threat-as-global-supply-chains-become-regional/*
*(b) source Journal of Commerce - April 2016. http://www.joc.com/sites/default/files/u48801/spec-GLC-table_0.jpg*

# C/ Unique market position

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

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

CLASQUIN now manages import and export flows mainly between Europe and overseas markets, in particular Asia-Pacific and North America.

As a forerunner for Europe-Asia trade, CLASQUIN's network of 21 offices ensures it has strong presence on the Asia-Pacific routes.

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


**SME Small and medium-sized enterprise*


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

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

# D/ Key success factors

## 1. Information system at the heart of the Company

Development of an information system and of effective IT tools has always underpinned CLASQUIN's strategy. While ensuring a high level of performance and flexibility in a rapidly changing environment, this system adapts to the specific market features and legislation of the 20 countries where the Group operates.

These systems give users real-time access to data in a productive and interactive management system designed for use by CLASQUIN's clients and business partners.

### 1.1 CURRENT INFORMATION SYSTEM

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

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

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

### 1.2 CUSTOMISED SERVICE FOR ITS CLIENTS

CLASQUIN has grouped its visibility and sharing tools under the generic name **E-Client Solutions** in order to offer high value added services:

- **E-Tracing** enables clients to trace shipments and obtain real-time data on their status.
- **E-Connect** is a collaborative web portal which allows users to monitor orders highlighting major deadlines, provides a web database comprising transportation documents, invoices, packing lists, sales invoices, etc., and enables cost analyses for every shipment.
- **E-Report** measures the overall profitability of transactions based on data input into the system, while providing management indicators and changes over time. Various tailored KPI reports or discrepancy reports highlight actual versus committed level of service.
- **E-Order** provides for detailed tracking per client reference via pre-input of past orders into a dedicated module.

These applications are seamlessly coupled to EDI interfaces and KPIs enabling CLASQUIN to manage high volume information flows and to optimise the supply chain.

In order to address the needs of its clients, who are constantly looking to improve their productivity and efficiency, CLASQUIN is able to design sophisticated, ad-hoc solutions (Purchase Order Management, cost analyses, interfaces, EDI, etc.) by integrating flawlessly into their ERP.

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

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

Marion, Fabrice, Julie, Chrystel, Stéphane, CLASQUIN Head Office

## 1.3 APPROPRIATE GOVERNANCE TO STEER STRATEGIC INVESTMENTS

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

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

The objectives assigned to the committee are as follows:

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

The main areas on which the Committee is working are as follows:

- **The search for the successor to the Aeolus application.** The two possibilities are: the development of a new application to replace Aeolus or the search for an application that meets the company's functional requirements.

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

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

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

The companies with which CLASQUIN and LOG SYSTEM are in discussion are not European. The agreement, which is under way, will add to the portfolio of applications sold by LOG SYSTEM in its market. In fact, Aeolus will continue to be maintained and will be enhanced through additional functions. LOG SYSTEM will be the distributor of the solution chosen and will join a network enabling it o better support clients in all countries and across all continents.

- **Reinforcing CLASQUIN's network infrastructure** in order to improve information transmission performance.
- **The Business Intelligence Project (BIP),** whose objective is to capitalise the data underpinning CLASQUIN's digital transformation and business. Technological developments and new market solutions present numerous opportunities and, on the eve of a change to Aeolus, it is essential to structure "data" in order to make optimum use of it.

### FOCUS LOG SYSTEM, a subsidiary of the CLASQUIN Group specialising in software development

Founded in 1986, the IT subsidiary of the CLASQUIN Group, LOG SYSTEM is a company which specialises in software publishing and in all services relating to the implementation of a business solution: project management, comparative analysis against the application used previously, integration into the company's environment, implementation, configuration and training. It operates in two separate areas of activity:

- **International freight forwarding, with the publication of the AEOLUS application**
  Designed for managing international forwarding agents and transit agents, the software is widely accessible to ext ernal users and the different players in the freight forwarding and logistics world. The software is truly multimodal (sea, air, road and combined transport modes), multilingual (including ideographic languages) and multi-compatible, and is used in 25 countries across the world and on over 170 sites.
- **Pathological anatomy and cytology (medical department), with the publication of two software packages, CACP and CYAN.**
  Created for managing Pathological Anatomy and Cytology, these software applications are designed for both public and private laboratories. They are suitable for all organisations, regardless of size: private practices, hospital sites, cancer research centres, etc. While CYAN is more suitable for large facilities, CACP is geared towards organisations with under 30 workstations.

LOG SYSTEM currently has 27 highly-experienced employees, mainly comprising programmer analysts or engineers. In both units, the experience acquired by project managers allows the quick and effective implementation of well-proven software solutions.

## 2. A pool of outstanding talent committed to the "Clients, Profit & Fun" culture and to fundamental values

674 men and women speaking over 15 languages, carry out the CLASQUIN mission in 20 countries, forming part of its DNA. In thirty years, CLASQUIN has become a global medium-sized company. Currently, 45% of the Company's employees work outside Europe, including 250 in Asia.

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

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

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

Members of the CLASQUIN Paris team

## 2.1 COMMITMENT TO FUNDAMENTAL VALUES

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

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

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

**World Management Committee Meeting (WMCM)**
This annual event gathers together all Country Managers, Front and Back Office Managers and members of the Management Committee for several days in a relaxed environment, to approve the Company's main plans, discuss priorities and lay out action plans in a friendly atmosphere.

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

The Group is considering the launch in 2016 of a new format of the internal survey, intended for team leaders at a pilot site.



## CLIENTS

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

## FUN

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

## PROFIT

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

## PROFESSIONALISM

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

## INTEGRITY

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

## ENTHUSIASM

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

## 2.2 RECRUITING: A SACRED ACT!

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

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

## 2.3 DEVELOPING EXPERTISE, VALUING EXPERIENCE AND PROMOTING INTERNAL MOBILITY

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

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

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

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

The Company also provides individual support to its talent through customised coaching activities.

These initiatives are also supported by more traditional classroom training or e-learning sessions.

In 2015, 212 training sessions were provided for a total of 658 hours.

Furthermore, each employee is involved in a continuous improvement plan thereby contributing to operational excellence. This programme is managed on a daily basis by the QSE (Quality, Safety & Environment) and OTO (Operations Training & Organisation) units.

The aim of this Group-wide quality initiative is to rally teams around a standard system tailored to the management of their operations and consistent with values regarding financial performance, pleasure at work and the daily pursuit of client satisfaction. Decisions are based on broad involvement of teams in the Company's developments, sharing of good practices and on the quest for consensus.

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

## FOCUS CAREER PATH & MOBILITY

**> Olivier REME**
Branch Manager Beijing and Qingdao

Born and raised in Lyon, Olivier attended the International School where, at a very early age, he developed an international interest. After obtaining a degree in Commerce from IDRAC, he spent three years in China before returning to France to join the headquarters of CMA-CGM. However, he set his sights abroad once again and in 2008 joined the VIE (Volunteer for International Experience) programme to develop the Reefer service of the ANL subsidiary in Australia. At the end of his contract in 2010, Olivier joined CLASQUIN Beijing, which was then looking for a French-speaking candidate for a sales development position in China.
In 2013, Olivier expressed an interest in joining the CLASQUIN Hong Kong team, where he continued to develop his expertise in sales and marketing. In 2015, Olivier had the opportunity to take over the post of Branch Manager Beijing & Qingdao, which he seized. Ever since, he has been responsible for the organisation of the two offices and the commercial activity of Northern China.

**> Anthony BONICEL**
Operations Manager Sea Freight

Born in Nantes but having lived in Lyon for almost 25 years, Anthony obtained a degree in Economic and Social Administration (AES) before adding an overseas dimension to his professional training by joining ISTELI.
At the end of his final year internship at CLASQUIN, he was offered the position of Business Manager for the Import Sea Freight department of the Lyon Saint Exupéry office in 2005. Demonstrating a high degree of motivation and a strong interest in sea freight development, he broadened his expertise and, in 2010, obtained the job of Supervisor in the Export Sea Freight department. In 2013, he became responsible for the entire Sea Freight department.
Deeply committed to the CLASQUIN values and culture, Anthony supports his team to optimise the operational efficiency of the Lyon office.

## 2.4 ENCOURAGING AN ENTREPRENEURIAL CULTURE

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

When the Company was floated on Alternext, 70% of employees living in France demonstrated their commitment to CLASQUIN by subscribing to the employee shareholding scheme. Currently, 1 in every 2 employees is a shareholder in France via the Company Savings Scheme. The share of capital owned by management and employees (employee mutual fund) is 54.88%.

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

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

For French companies, the Company Savings Scheme, topped up by an attractive policy of employer contributions, increases employee investments in the CLASQUIN PERFORMANCES company investment fund. The Company is currently considering setting up a shareholding scheme for employees of the Group's foreign subsidiaries.

Sea freight team
CLASQUIN Shanghai

## 3. An integrated and controlled network on 5 continents

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

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

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

**55 OFFICES*
20 COUNTRIES
5 CONTINENTS**


*55 offices as at 31/12/2015 following the acquisition of LCI's offices in France and North Africa

### 3.1 HISTORICAL PRESENCE IN ASIA

A feature of the CLASQUIN GROUP is its Asian involvement, initiated over thirty years ago. CLASQUIN opened its very first offices in 1984 in Japan and Hong Kong. Throughout the Asia-Pacific region, the Company now has 21 offices, which enables it to be well rooted in the local economy of these countries with staff who fully understand local commercial practices, cultural habits and legislation.

### 3.2 UNIQUE COVERAGE

The CLASQUIN Group is also present in North America (USA and Canada) and Europe (Italy, Spain and Germany). In 2014, two acquisitions bolstered the Group's global presence, first in Germany, with a new office in Düsseldorf resulting from the acquisition of Göritz Air Freight, and then in North America with four additional locations in Miami, Houston, Barbados and Rutherford, arising from the ECS GARNETT (Express Consolidation Systems) takeover. CLASQUIN took its first steps in Africa in 2012 by creating an office at Bobo-Dioulasso in Burkina Faso and in North Africa in 2015 by acquiring LCI.

### 3.3 NETWORK OF HIGH-PERFORMING PARTNERS

To further enhance its coverage, CLASQUIN draws on a network of independent agents under the WFA (World Freight Alliance) which covers 130 countries. CLASQUIN is one of the 5 founding members of the WFA. CLASQUIN is therefore able to manage the best-performing and most suitable partners for each transaction.

- **26 offices in Europe and Africa**
  Annecy, Barcelona (2), Bobo-Dioulasso, Bordeaux, Bremen, Düsseldorf, Frankfurt, Grenoble, La Crèche, Le Havre, Lille, Lyon HQ, Lyon St Exupéry airport, Madrid, Marseilles, Milan, Mulhouse, Nantes, Paris, Toulouse, Tours, Tunis, Valence, Vitrolles, Villefranche-sur-Saône
- **21 offices in Asia-Pacific**
  Bangkok, Beijing, Chennai, Guangzhou, Hanoi, Ho Chi Minh, Hong Kong, Kuala Lumpur, Melbourne, Mumbai, New Delhi, Ningbo, Osaka, Qingdao, Seoul, Shanghai, Shenzhen, Singapore, Tokyo, Xiamen.
- **8 offices in North America and the Caribbean**
  Bridgetown (Barbados), Chicago, Houston, Los Angeles, Miami, Montreal, New York, Rutherford.

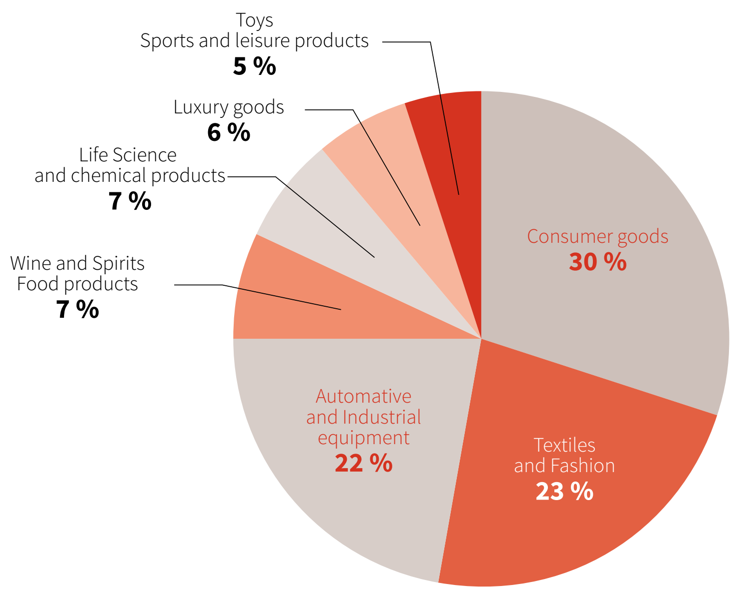
## 4. A prestigious client portfolio

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

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

CLASQUIN's portfolio of clients is also balanced. The top 30 clients account for less than 20% of gross profit and the largest key account for less than 4%.

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




Wendy
CLASQUIN Ningbo
and Patrice
CLASQUIN Head Office

# E/ Strategy driven by ambition

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

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

With organisation at its core and a strong connection to its ecosystem, CLASQUIN is also well positioned to develop a number of goods shipment services.

Driven by the ambition set out in its strategic plan, the Group is reasserting its desire **to pursue the focus of its long-standing business model:**

- Fostering client growth,
- Creating and distributing customised original and complex solutions for certain business segments (quality control and transport of clothing on hangers for the fashion industry, consolidating and preparing orders before overseas shipment for distribution networks, flexitank for transporting wines and spirits and chemical products etc.),
- Winning market shares wherever it is present by recruiting the best talent into its sales forces,
- Opening new offices and/or subsidiaries to extend the network,
- Identifying and building links with partners operating in its core business.

and to **step up its geographical and product development** in order to further improve its performance:

- Broadening its range of high value added services by gearing itself to a multi-service Supply Chain Management business,
- Making acquisitions focused on its three core regions: North America, Western Europe and Asia, and seizing any opportunities in dynamic trading regions such as the Middle-East,
- Seeking vertical markets and niche markets which are inherently more profitable.

Matthieu
CLASQUIN Hong Kong

# Group Corporate Social Responsibility



Sandra
CLASQUIN Lyon
and Lamine
CLASQUIN Marseille

## People, Planet, Profit

CLASQUIN believes CSR should always be a voluntary, proactive and participatory initiative primarily driven by charitable principles.

# A/ Valuing its human capital

CLASQUIN considers its people as its primary strength. Diversity and social integration underpin its DNA, where a number of cultures, nationalities, generations and professional backgrounds are represented

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

- Valuing staff talent and building skills,
- Ensuring and guaranteeing job well-being, security and sustainability,
- Promoting jobs for disabled people.

For an example of CLASQUIN's diversity initiative and open-mindedness, read about the experience of Laurent, Logistics Assistant, recruited under a permanent contract at the Lyon Saint Exupéry office (see the "FOCUS" text box).

# B/ Controlling its environmental impact

CLASQUIN encourages its clients to favour low polluting transportation such as river/canal or rail transport. Thanks to its partnership with CARBON IMPACT, CLASQUIN can calculate CO2 emissions based on the means of transport chosen.

The CLASQUIN Group is also involved in raising awareness among its employees about waste sorting and recycling. This initiative is supported by a communication plan which measures direct impacts on the environment.

This year, our partnership helped to preserve 51 trees, 89,745 litres of water and 14,958 kWh of power and eliminate over 1,600 kg of $CO_2$ emissions. It also generated 45 hours of work for persons with disabilities.

The initiative is currently being rolled out in each of the Group's French branches. Eventually, CLASQUIN seeks to extend this initiative to its foreign branches.

## FOCUS DIVERSITY INITIATIVE

Benoît, Manager of the Lyon Saint Exupéry office who recruited Laurent into his team, tells us about this success story:

*"Two years ago, we were looking to fill a post in the Logistics division, in our warehouse. We were directed to a Vocational Rehabilitation Centre (French ESAT). This is how Laurent joined the office, initially seconded to our site 3 days a week. Laurent was inducted like any new employee via an individual integration programme and he was warmly welcomed by the team. This is also thanks to Laurent's personality - he is very open and has a good sense of humour.*

*His presence shines a different light on disability and demystifies it. It is a fact that we take into account, but which becomes secondary considering the person's qualities and skills. Views have changed; diversity is a mind opener. Laurent has shown that he is the right person for this job, which is what led us to recruit him on a permanent basis. "*

**As told by Laurent:**

*"I wanted to be part of a 'regular' professional environment for a number of years, which is why I joined CLASQUIN. My arrival meant that some adjustments had to be made: my workstation was fitted with special visual signage and an electronic magnifier.*

*My integration into the team was very smooth. Thanks to proper communication about my disability, it is no longer an issue for my colleagues. I particularly appreciated their welcome, their availability and support to help me to continuously improve, like everyone else in the company. "*

# C/ Funding local communities

CLASQUIN has decided to support a number of charitable projects. The Group is also a founding member of the Emergences foundation, which aims to support projects aimed at developing initiatives under the banner 'Living better together'. CLASQUIN provides them with man-hours, skills and experience to bring these projects to fruition.

# D/ Investing in the social economy

## Development project in Burkina Faso

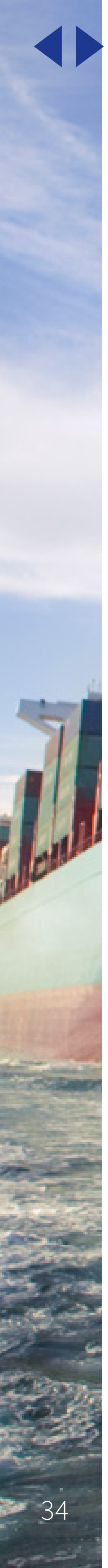
"Foot of Africa" is a social entrepreneurship project led by Yves REVOL, Group CEO & Chairman.

The goal is to create a shoe factory in Bobo Dioulasso, the capital of the Hauts Bassins region of Burkina Faso.

The shoes manufactured locally are intended to be sold in Europe.

In the first phase, the "Foot of Africa" project was expected to create some fifty jobs, which would have supported 500 people while making use of local raw materials.

The coup in October 2014 and the attacks of January 2016 have, for the moment, halted progress on this project which is expected to resume in the second half of 2016.



# Shareholder & Investor Information

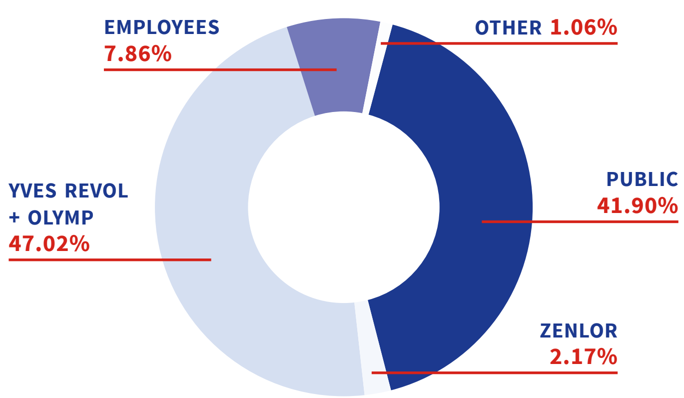


Philippe and Stéphanie
CLASQUIN Head Office

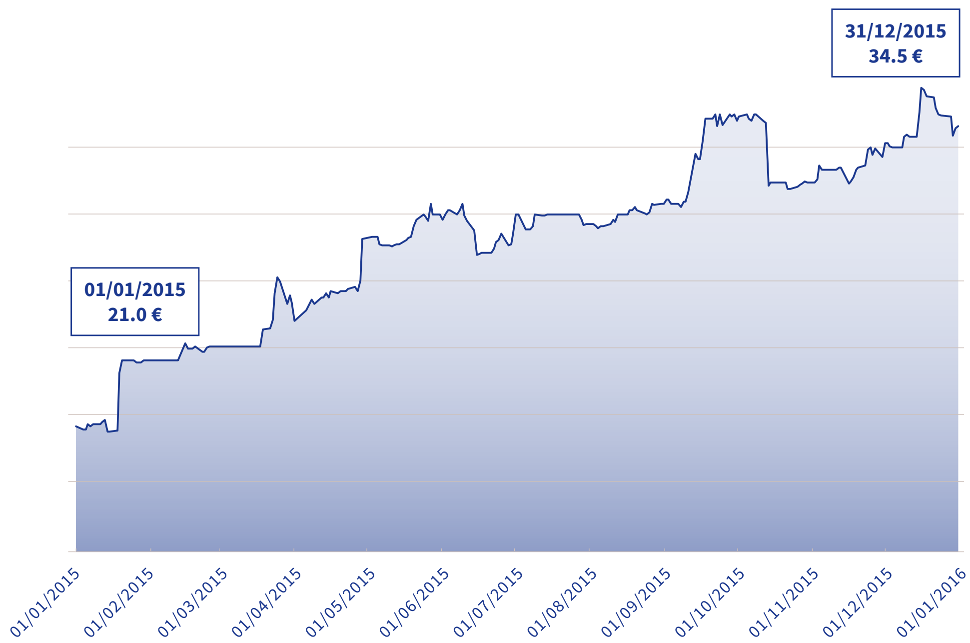
## A. Stock market information

| |
|---|
| IPO date: 31 January 2006 |
| IPO price: €15.50 |
| ISIN code: FR0004152882 |
| Bloomberg code: ALCLA FP |
| Reuters code: ALCLA PA |
| ICB classification:<br>- 2000 Industries<br>- 2770 Industrial transport |
| Market: Alternext |
| Listing: continuous |
| Share capital as at 31 December 2015: €4,612,802<br>split into 2,306,401 shares with a par value of €2.00 each |

## B. Shareholders as at 31 December 2015




## C. Share price in 2015




| |
|---|
| Closing share price at 2 January 2015: €21.0<br>Closing share price at 31 December 2015: €34.5 |
| Highest closing price in 2015: €36.2<br>Lowest closing price in 2015: €20.8 |
| Average daily volume in 2015: 2,731 shares traded |
| Market capitalisation at 31 December 2015: €79.6m |
| Public float at 31 December 2015: 41.9% |

## D. Dividend policy

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

A dividend of €1.25 per share will be proposed - i.e. 86.2% of 2015 consolidated net profit Group share - at the 7 June 2016 Annual General Meeting.

## E. Listing sponsor

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

## F. Liquidity contract

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

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

Maryse, Alexis and Olivia
Legal team
CLASQUIN Head Office

## G. Financial analysis

Three financial analysts wrote articles about CLASQUIN stock during 2015. They were:

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

KEPLER - responsible for the research note: Baptiste DE LEUDEVILLE

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

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

## H. Sources of information and documentation

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

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

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

## I. 2016 shareholders' agenda

- 07/06/2016: Combined Annual General Meeting
- 25/08/2016: Business report as at 30 June 2016
- 21/09/2016: First half 2016 results
- 27/10/2016: Business report as at 30 September 2016

## J. Persons responsible for the information

- Yves Revol, Chairman and CEO
- Philippe Lons, Deputy Managing Director and Group CFO
- Stéphanie Chalandon, Financial Communication Coordinator
- Tel.: +33 (0)4 72 83 17 00 - Email: finance@clasquin.com

# 2015 consolidated financial statements



David and Agnès
CLASQUIN Head Office

# Contents

## 2015 consolidated financial statements

# A/ Consolidated income statement and statement of comprehensive income

## 1. Consolidated income statement

The "2014 published" column corresponds to the financial statements published on 31/12/2014.

The "2014 restated" column corresponds to the 2014 financial statements excluding the impact of discontinued operations (see highlights of the year).

| INCOME STATEMENT (in €k) | Notes | 2015 | 2014 restated | 2014 published |
|---|---|---|---|---|
| SALES | E.IV.13.3 | 234,206 | 201,723 | 211,460 |
| Cost of sales | | (178,588) | (158,099) | (161,034) |
| GROSS PROFIT | E.IV.13.3 | 55,618 | 43,624 | 50,426 |
| Other purchases and external charges | | (11,679) | (9,807) | (11,781) |
| Taxes and duties | | (763) | (642) | (688) |
| Staff expenses | | (34,936) | (28,599) | (31,645) |
| Net depreciation, amortisation and provisions | | (1,746) | (1,657) | (2,237) |
| Other current income | | 1,104 | 1,098 | 1,126 |
| Other current expenses | | (909) | (878) | (878) |
| CURRENT OPERATING INCOME | | 6,689 | 3,139 | 4,323 |
| Other operating income | E.IV.14 | 113 | 26 | 286 |
| Other operating expenses | E.IV.14 | (513) | (68) | (367) |
| OPERATING INCOME | | 6,289 | 3,097 | 4,242 |
| Net cost of debt | E.IV.15 | (195) | (57) | (91) |
| Other financial income | E.IV.15 | 1,488 | 711 | 711 |
| Other financial expenses | E.IV.15 | (1,472) | (1,042) | (1,043) |
| Income from equity affiliates | | 66 | | |
| PROFIT BEFORE TAX | | 6,176 | 2,709 | 3,819 |
| Income tax | E.IV.16 | (1,939) | (918) | (1,330) |
| PROFIT FROM CONTINUING OPERATIONS | | 4,237 | 1,791 | |
| PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS | | (254) | 698 | |
| GROUP CONSOLIDATED NET PROFIT | | 3,983 | 2,489 | 2,489 |
| Minority interests | | 637 | 361 | 361 |
| NET PROFIT GROUP SHARE | E.IV.13.1.3 | 3,346 | 2,128 | 2,128 |

| EARNINGS PER SHARE (€) ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS | E.IV.17 | 2015 | 2014 restated | 2014 published |
|---|---|---|---|---|
| NET EPS FROM CONTINUING OPERATIONS | | | | |
| - basic | | 1.69 | 0.71 | |
| - diluted | | 1.69 | 0.71 | |
| NET EPS FROM DISCONTINUED OPERATIONS | | | | |
| - basic | | -0.24 | 0.21 | |
| - diluted | | -0.24 | 0.21 | |
| NET EARNINGS PER SHARE | | | | |
| - basic | | 1.45 | 0.93 | 0.93 |
| - diluted | | 1.45 | 0.93 | 0.93 |

## 2. Consolidated comprehensive income statement

The amounts given are shown net of tax effect.

| COMPREHENSIVE INCOME STATEMENT (in €k) | 2015 | 2014 restated | 2014 published |
|---|---|---|---|
| Consolidated net profit | 3,983 | 2,489 | 2,489 |
| Translation adjustments recognised in shareholders' equity | 826 | 872 | 872 |
| Items that may be reclassified to income | 826 | 872 | 872 |
| Actuarial gains/losses on pension commitments | 19 | (38) | (41) |
| Items that are not reclassified to income | 19 | (38) | (41) |
| Sub-total: items of other comprehensive income from continuing operations | 845 | 834 | 831 |
| Items of other comprehensive income from discontinued operations | | (3) | |
| Total: items of consolidated other comprehensive income | 845 | 831 | 831 |
| NET PROFIT AND GAINS AND LOSSES DIRECTLY RECOGNISED IN SHAREHOLDERS' EQUITY | 4,828 | 3,320 | 3,320 |
| GROUP SHARE | 4,095 | 2,863 | 2,863 |
| MINORITY INTERESTS | 733 | 457 | 457 |

# B/ Consolidated statement of financial position

## 1. Assets

| ASSETS (in €k) | Notes | 31/12/2015 | 31/12/2014 |
|---|---|---|---|
| Goodwill | E.IV.1 | 14,197 | 8,330 |
| Intangible assets | E.IV.2 | 3,055 | 3,102 |
| Property, plant and equipment | E.IV.3 | 3,790 | 6,181 |
| Non-consolidated equity affiliates | E.IV.4 | | 1 |
| Other financial assets | E.IV.4 | 1,018 | 913 |
| Investments in equity affiliates | | 716 | |
| Deferred tax | E.IV.9 | 1,147 | 898 |
| TOTAL NON-CURRENT ASSETS | | 23,923 | 19,425 |
| Trade and other receivables | E.IV.5 & 6 | 62,580 | 62,474 |
| Other current assets | E.IV.5 | 2,651 | 1,637 |
| Tax receivables | E.IV.5 | 728 | 970 |
| Cash and cash equivalents | E.IV.7 | 20,443 | 13,168 |
| TOTAL CURRENT ASSETS | | 86,402 | 78,249 |
| TOTAL ASSETS | E.IV.13.1.1 | 110,325 | 97,674 |

Marie and Muriel, CLASQUIN Le Havre
and Capucine, CLASQUIN New Delhi

## 2. Liabilities and shareholders' equity

| LIABILITIES AND SHAREHOLDERS' EQUITY (in €k) | Notes | 31/12/2015 | 31/12/2014 |
|---|---|---|---|
| Share capital | E.IV.8.1 | 4,613 | 4,613 |
| Additional paid-in capital | E.IV.8.1 | 4,245 | 4,245 |
| Reserves | | 9,508 | 10,217 |
| Net profit Group share | | 3,346 | 2,128 |
| SHAREHOLDERS' EQUITY - GROUP SHARE | D. | 21,712 | 21,203 |
| SHAREHOLDERS' EQUITY - MINORITY INTERESTS | D. | 2,083 | 2,074 |
| TOTAL SHAREHOLDERS' EQUITY | D. | 23,795 | 23,277 |
| Deferred tax | E.IV.9 | 27 | 263 |
| Non-current provisions | E.IV.10 | 1,079 | 1,104 |
| Long-term financial liabilities | E.IV.11 | 17,820 | 9,138 |
| TOTAL NON-CURRENT LIABILITIES | | 18,926 | 10,505 |
| Current provisions | E.IV.10 | 26 | 257 |
| Short-term financial liabilities | E.IV.11 | 7,874 | 4,759 |
| Trade and other payables | E.IV.12 | 50,706 | 50,331 |
| Tax and welfare liabilities | E.IV.12 | 7,328 | 6,489 |
| Current tax payables | E.IV.12 | 323 | 504 |
| Other current liabilities | E.IV.12 | 1,347 | 1,552 |
| TOTAL CURRENT LIABILITIES | | 67,604 | 63,892 |
| TOTAL LIABILITIES | | 86,530 | 74,397 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | E.IV.13.1.2 | 110,325 | 97,674 |

# C/ Consolidated cash flow statement

| CASH FLOW STATEMENT (in €k) | Notes | 2015 | 2014 restated | 2014 published |
|---|---|---|---|---|
| CASH POSITION AT OPENING | | 11,379 | 3,868 | 3,868 |
| OPERATING ACTIVITIES | | | | |
| Consolidated net profit | | 3,983 | 2,489 | 2,489 |
| Income from equity affiliates | | (66) | | |
| Elimination of expenses and income not impacting cash flow or not linked to the activity | | | | |
| Depreciation, amortisation and provisions | | 1,484 | 1,579 | 2,160 |
| Unrealised gains/(losses) on changes in fair value | | 30 | (3) | (3) |
| Capital gains/(losses) on disposals | | 468 | 25 | 51 |
| Items related to discontinued operations | | 1,895 | 607 | |
| GROSS OPERATING CASH FLOW | | 7,794 | 4,697 | 4,697 |
| Net cost of debt | E.IV.15 | 195 | 57 | 91 |
| Tax expense (including deferred tax) | | 1,939 | 918 | 1,330 |
| Items related to discontinued operations | | 413 | 446 | |
| Tax paid on profits | | (2,361) | (2,074) | (2,074) |
| Changes in working capital (including discontinued operations) | | 187 | 2,505 | 2,505 |
| - including changes in trade receivables and deferred income | | 6,328 | 782 | 782 |
| - including changes in trade payables and deferred expenses | | (6,848) | 2,226 | 2,226 |
| - including changes in other items | | 707 | (503) | (503) |
| CASH FLOW FROM OPERATING ACTIVITIES | | 8,167 | 6,549 | 6,549 |
| - OF WHICH DISCONTINUED OPERATIONS | | 888 | 1,089 | |
| INVESTMENT ACTIVITIES | | | | |
| Acquisitions of intangible assets | | (1,451) | (1,097) | (1,097) |
| Acquisitions of property, plant and equipment | | (936) | (1,777) | (1,777) |
| Disposals of intangible assets and PP&E | | 226 | 282 | 282 |
| Acquisitions of financial assets | | (155) | (80) | (80) |
| Disposals of financial assets | | 114 | 74 | 74 |
| Net cash allocated to acquisitions and disposals of subsidiaries (1) | | (8,707) | (2,040) | (2,040) |
| CASH FLOW FROM INVESTMENTS | | (10,909) | (4,638) | (4,638) |
| - OF WHICH DISCONTINUED OPERATIONS | | (1,961) | (475) | |

| CASH FLOW STATEMENT (in €k) | Notes | 2015 | 2014 restated | 2014 published |
|---|---|---|---|---|
| FINANCING ACTIVITIES | | | | |
| Capital increase following acquisition of minority interests | | 600 | | |
| Dividend payments to parent company shareholders | E.IV.8.2 | (1,843) | (1,844) | (1,844) |
| Dividend payments to minority shareholders of consolidated companies | | (285) | (332) | (332) |
| Inflows from new borrowings and other long-term financial liabilities | | 12,004 | 8,510 | 8,510 |
| Repayments of borrowings and other long-term financial liabilities | | (2,809) | (1,319) | (1,319) |
| Net cost of debt | E.IV.15 | (195) | (91) | (91) |
| CASH FLOW FROM FINANCING ACTIVITIES | | 7,472 | 4,924 | 4,924 |
| - OF WHICH DISCONTINUED OPERATIONS | | (1,168) | (906) | |
| IMPACT OF EXCHANGE RATE FLUCTUATIONS | | 575 | 676 | 676 |
| CHANGE IN CASH AND CASH EQUIVALENTS | | 5,305 | 7,511 | 7,511 |
| - OF WHICH DISCONTINUED OPERATIONS | | (2,241) | (292) | |
| RECLASSIFICATION OF CASH ASSETS | | (50) | | |
| CASH POSITION AT CLOSING | | 16,634 | 11,379 | 11,379 |

| CHANGE IN CASH AND CASH EQUIVALENTS | | 2015 | 2014 restated | 2014 published |
|---|---|---|---|---|
| Opening cash assets | E.IV.7 | 13,168 | 12,446 | 12,446 |
| Reclassification of cash assets | | (50) | | |
| Closing cash assets | E.IV.7 | 20,443 | 13,168 | 13,168 |
| CHANGE IN CASH ASSETS | | 7,325 | 722 | 722 |
| Opening cash liabilities | E.IV.11.1 | (1,789) | (8,578) | (8,578) |
| Closing cash liabilities | E.IV.11.1 | (3,809) | (1,789) | (1,789) |
| CHANGE IN CASH LIABILITIES | | (2,020) | 6,789 | 6,789 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | | 5,305 | 7,511 | 7,511 |

(1) As at 31 December 2014, the breakdown of net cash on acquisition and sale of subsidiaries was as follows:
- Impact of GÖRITZ AIRFREIGHT GmbH acquisition = -€528k
  - Including acquisition cost: -€910k
  - Including net cash acquired: +€382k
- Impact of GARNETT LOGISTICS GROUP INC. acquisition = -€1,512k
  - Including acquisition cost: -€1,666k
  - Including net cash acquired: + €154k

As at 31 December 2015, the breakdown is as follows (see section on 2015 highlights):
- Impact of LCI CLASQUIN SAS acquisition = -€11,199k
  - Including acquisition cost: -€14,009k
  - Including net cash acquired: +€2,810k
- Impact of FINANCIÈRE GUEPPE SAS disposal = +€2,492k
  - Including sale price: +€4,201k
  - Including net cash disposed of: -€1,709k

# D/ Change in consolidated shareholders' equity

| BREAKDOWN OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY (in €k) | Share capital | Additional paid-in capital | Reserves & consolidated net profit | Earnings recorded as shareholders' equity | Group share | Minority interests | Total shareholder's equity |
|---|---|---|---|---|---|---|---|
| SHAREHOLDERS' EQUITY AT 31/12/2013 | 4,613 | 4,245 | 12,715 | (496) | 21,077 | 1,153 | 22,230 |
| Dividend distributed | | | (1,844) | | (1,844) | (332) | (2,176) |
| 2014 comprehensive income | | | 2,128 | 735 | 2,863 | 457 | 3,320 |
| Treasury shares | | | (97) | | (97) | | (97) |
| Sundry[(1)] | | | (796) | | (796) | 796 | 0 |
| SHAREHOLDERS' EQUITY AT 31/12/2014 | 4,613 | 4,245 | 12,106 | 239 | 21,203 | 2,074 | 23,277 |
| Dividend distributed | | | (1,843) | | (1,843) | (285) | (2,128) |
| 2015 comprehensive income | | | 3,346 | 749 | 4,095 | 721 | 4,816 |
| Treasury shares | | | 61 | | 61 | | 61 |
| Sundry[(2)] | | | (1,804) | | (1,804) | (427) | (2,231) |
| SHAREHOLDERS' EQUITY AT 31/12/2015 | 4,613 | 4,245 | 11,866 | 988 | 21,712 | 2,083 | 23,795 |

(1) Impact of the recognition of the put option over minority interests in relation to the ECS US acquisition in 2014.
(2) Impact of the recognition of the put option over minority interests in FINANCIÈRE LCI SAS (-€2.3m) and adjustment of the put option over minority interests in ECS US (+€0.5m). See details in paragraph E.IV.1.

The main objective of the CLASQUIN Group in terms of managing its share capital is to ensure that it maintains a good credit risk rating and sound ratios in order to promote its business activities and maximise shareholder value. The Group manages the structure of its share capital and makes adjustments based on changes in economic conditions. To maintain or adjust share capital structure, the Group can adjust the payment of shareholder dividends, repay part of the capital or issue new shares. Policy objectives and management procedures remained unchanged compared to 2014.

CLASQUIN
Bangkok

# E/ Notes to the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2015, as well as the related notes, were approved by the Board of Directors on 15 March 2016 and will be submitted to the shareholders' Annual General Meeting on 7 June 2016 for approval.

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

## I. 2015 highlights

### 1. Acquisition

CLASQUIN SA holds an 80% equity stake in FINANCIÈRE LCI, a newly created company which on 31 March 2015 purchased the entire share capital of LCI CLASQUIN (formerly LCI INTERNATIONAL).

LCI CLASQUIN is specialised in freight forwarding between France, North Africa and Turkey. LCI CLASQUIN has four subsidiaries and holdings, including three in Tunisia.

Following the valuation of identifiable assets, liabilities and contingent liabilities, this acquisition resulted in the recognition of goodwill of €10.1m. These items are detailed in the paragraph on goodwill in chapter "E.IV - Explanation of balance sheet and income statement items and changes thereto".

A put option over minority interests, corresponding to the purchase of a 20% stake in FINANCIÈRE LCI, was recognised at a discounted amount of €2.3m.

### 2. Disposal

The FINANCIÈRE GUEPPE CLASQUIN sub-group was sold on 28 December 2015 to the ALAINÉ Group, which provides transport, logistics and freight forwarding services.

This sale transaction was performed with the approval of FINANCIÈRE GUEPPE CLASQUIN Group's senior management and minority shareholders, and relates to the entire share capital and voting rights of FINANCIÈRE GUEPPE CLASQUIN, parent company of GUEPPE CLASQUIN and CHRISTIAN GUEPPE LOCATION.

As a reminder, CLASQUIN held a 70% interest in FINANCIÈRE GUEPPE CLASQUIN.

This transaction gave rise to a consolidated accounting loss of €1m and to the recognition of net costs of €0.2m.

These amounts, as well as the earnings of the FINANCIÈRE GUEPPE CLASQUIN sub-group, were recognised under income from discontinued operations in accordance with IFRS 5.

## II. Financial reporting framework, consolidation procedure, valuation methods and rules

### 1. Financial reporting framework

#### 1.1 STATEMENT OF COMPLIANCE

In 2007, the CLASQUIN GROUP opted to begin applying IFRS.

Pursuant to European regulations nos.1606/2002 and 1725/2003, the Group consolidated financial statements were drawn up in compliance with the international accounting standards issued by the IASB (International Accounting Standards Board) and applicable in the European Union as at 31 December 2015. These rules may be consulted on the following website:

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

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

The accounting rules and valuation principles adopted for the preparation of the 2015 consolidated financial statements are those contained in the standards and interpretations published in the Official Journal of the European Union on 31 December 2015 and mandatory as of 1 January 2015.

These standards and interpretations mainly relate to annual improvements to IFRS (2011-2013) regarding IFRS 1 - First-time adoption of IFRS, IFRS 3 - Business combinations, IFRS 13 - Fair-value measurement, and IAS 40 - Investment property.

None of these new standards and interpretations applied since 1 January 2015 have had any material impact on or are relevant to the Group.

Furthermore, the Group made no provision for standards, amendments or interpretations which were not mandatory as at 31 December 2015, either because these standards had not yet been adopted in Europe or because the Group had decided not to apply them in advance. This applies to the following standards:

| NAME OF STANDARD, INTERPRETATION OR AMENDMENT | Description | IASB publication date |
|---|---|---|
| IFRS for SMEs | Standards for SMEs | 09/07/2009 |
| Amendments to IAS 19 | Employee benefits: Employee contributions | 21/11/2013 |
| Annual improvements | Annual improvements (2010-2012) to IFRS | 12/12/2013 |
| IFRS 14 | Regulatory Deferral Accounts | 30/01/2014 |
| Amendments to IFRS 11 | Accounting for Acquisitions of Interests in Joint Operations | 06/05/2014 |
| Amendments to IAS 16 and IAS 38 | Clarification of Acceptable Methods of Depreciation and Amortisation | 12/05/2014 |
| IFRS 15 | Revenue from Contracts with Customers | 05/06/2014 |
| Amendments to IAS 16 and IAS 41 | Agriculture: Bearer Plants | 30/06/2014 |
| IFRS 9 | Financial Instruments | 24/07/2014 |
| Amendments to IAS 27 | Equity Method in Separate Financial Statements | 12/08/2014 |
| Amendments to IAS 28 and IFRS 10 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 11/09/2014 |
| Annual improvements | Annual improvements (2012-2014) to IFRS | 25/09/2014 |
| Amendments to IAS 1 | Disclosure Initiative | 18/12/2014 |
| Amendments to IAS 28, IFRS 10 and IFRS 12 | Investment Entities: Applying the Consolidation Exception | 18/12/2014 |
| Amendments to IFRS for SMEs | 2015 Amendments to IFRS for SMEs | 21/05/2015 |
| Amendments to IFRS 15 | Deferral of the effective date of IFRS 15 | 11/09/2015 |

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

CLASQUIN
Bordeaux

### 1.2 BASES OF VALUATION

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

### 1.3 USE OF ESTIMATES

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

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

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

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

### 1.4 REPORTING AND OPERATIONAL CURRENCY

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

## 2. Consolidation procedures

### 2.1 CONSOLIDATION METHODS

Since 1 January 2014, the Group has applied the new standards on consolidation scope, IFRS 10, 11, 12 and IAS 28 amended.
IFRS 10 "Consolidated Financial Statements" supersedes IAS 27 as well as interpretation SIC 12 "Consolidation – Special Purpose Entities" for all aspects relating to control and consolidation procedures using the full consolidation method. It redefines the notion of control over an entity on the basis of three criteria:
- the investor has power over the investee, i.e. the ability to direct the activities of the investee that significantly affect the investee's returns,
- the investor is exposed, or has rights, to variable returns, which may be either positive, in the form of dividends or any other type of economic benefit, or negative, from its involvement with the investee,
- the link between this power and these returns, i.e. the ability to use its power over the investee to affect the amount of the investor's returns.

In practice, companies in which the Group directly or indirectly holds the majority of voting rights at the Annual General Meeting, or on the Board of Directors or equivalent management body, giving it the power to direct their operational or financial policies, are generally deemed to be controlled and consolidated using the full consolidation method.
To determine control, the Group carries out an in-depth analysis of the existing governance structure and an analysis of other shareholders' rights. Where necessary, an analysis is also carried out of instruments held by the Group or third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) which, if exercised, could change the type of influence exercised by each party.
IFRS 11 "Joint Arrangements" supersedes IAS 31 for all aspects relating to the accounting of entities under joint control. IAS 28 amended defines the notion of significant influence and describes the equity method applicable to investments in associates and joint ventures within the meaning of IFRS 11.
The CLASQUIN Group recognises its controlling interests in accordance with the full consolidation method.

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

Associates are companies in which the Group exercises significant influence, i.e. in which it has the right to participate in decisions relating to the financial and operating policy of the company, but without exercising control or joint control over said policies.
The Group has no interest under joint control.
The Group's investments in associates are accounted for using the equity method: the interest in an associate is initially recognised at its acquisition cost in the consolidated statement of financial position, and is later adjusted in order to account for the Group's share in net income, and other items of the associate's comprehensive income.

## 2.2 CONVERSION METHODS FOR FOREIGN COMPANY FINANCIAL STATEMENTS

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

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

The conversion rates applied are as follows:

| CURRENCY | Average rate 2015 | Average rate 2014 | Rate at 31/12/2015 | Rate at 31/12/2014 |
|---|---|---|---|---|
| AUD | 1.47 | 1.47 | 1.49 | 1.48 |
| BBD | 2.22 | 2.50 | 2.17 | 2.43 |
| CAD | 1.42 | 1.47 | 1.51 | 1.41 |
| CFA Franc | 655.96 | 655.96 | 655.96 | 655.96 |
| CNY | 6.89 | 8.15 | 7.06 | 7.46 |
| GEL | 2.51 | 2.34 | 2.59 | 2.29 |
| HKD | 8.60 | 10.28 | 8.44 | 9.41 |
| INR | 71.00 | 80.79 | 71.88 | 76.84 |
| JPY | 134.26 | 140.30 | 131.07 | 145.19 |
| KRW | 1,252.40 | 1,393.71 | 1,280.79 | 1,324.63 |
| MYR | 4.30 | 4.34 | 4.70 | 4.24 |
| SGD | 1.52 | 1.68 | 1.54 | 1.60 |
| THB | 37.86 | 43.01 | 39.25 | 39.85 |
| TND | 2.17 | N/A | 2.21 | N/A |
| USD | 1.11 | 1.33 | 1.09 | 1.21 |
| VND | 24,032.68 | 27,847.40 | 24,919.01 | 25,654.18 |

## 2.3 ELIMINATION OF INTRA-GROUP TRANSACTIONS

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

Phu, CLASQUIN Ho Chi Minh and Andreas, CLASQUIN Seoul

## 3. Valuation methods and rules

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

### 3.1 GOODWILL

The assets, liabilities and contingent liabilities of the acquired entity are recorded at their fair value at the end of a valuation period of up to 12 months following the acquisition date.
The positive differences between the acquisition cost and the purchasing company's share in the fair value of the identifiable assets, liabilities and contingent liabilities are recorded as goodwill under balance sheet assets. If goodwill is negative, it is immediately recognised as profit in the income statement.

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

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

Commitments to buy out minority interests in controlled companies are recognised as liabilities at the discounted amount of the put option's exercise price, with a corresponding contra-entry under shareholders' equity attributable to owners of the parent company; subsequent changes in the liability follow the same treatment.
In application of IAS 36, goodwill is subject to impairment tests, as soon as there is any indication of impairment and at least once a year, using the Discounted Cash Flows (DCF) method.
For the purposes of these tests, assets are grouped according to the smallest group of assets to generate cash inflow from continued operations which is completely separate from the cash inflows generated by other assets or groups of assets.

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

- the operating segment organising air and sea freight forwarding and related services (the Group's long-standing activity),
- the road haulage, chartering and logistics segment (the additional business activity arising from the acquisition of the GUEPPE CLASQUIN group),
- the IT service segment (LOG SYSTEM).

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

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

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

## 3.2 OTHER INTANGIBLE ASSETS

Other intangible assets are valued at their acquisition or production value.

Intangible assets resulting from an acquisition are recognised separately from goodwill when they can be identified, are controlled by the Company and are likely to generate future economic benefits.

### In-house research and development costs

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

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

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

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

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

They are reviewed at each closure.

## 3.3 PROPERTY, PLANT AND EQUIPMENT

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

Property, plant and equipment is valued at its historical cost and is not subject to revaluation. Maintenance and repair costs are directly recorded as expenses for the financial year, with the exception of those leading to improved performance of the asset in question or to an extension of its useful life.

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

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

Useful life is reviewed at each closure.

## 3.4 FINANCE LEASES

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

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

Sale and leaseback transactions that generate proceeds require:

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

## 3.5 ASSET IMPAIRMENT

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

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

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

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

### 3.5.2 Intangible assets with an indefinite useful life and goodwill

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

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

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

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

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

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

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

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

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

Ashish
CLASQUIN New Delhi

Violaine
CLASQUIN Hong Kong

Les
CLASQUIN Hong Kong

### 3.6 OTHER FINANCIAL ASSETS

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

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

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

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

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

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

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

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

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

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

### 3.7 TRADE RECEIVABLES AND PAYABLES

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

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

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

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

### 3.8 FINANCIAL HEDGING INSTRUMENTS

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

### 3.9 CASH AND CASH EQUIVALENTS

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

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

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

### 3.10 INCOME TAX

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

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

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

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

## 3.11 PROVISIONS

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

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

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

## 3.12 PENSION COMMITMENTS AND SIMILAR BENEFITS

### 3.12.1 Defined contribution plans

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

Samira
LCI-CLASQUIN Marseille

### 3.12.2 Defined benefit plans

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

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

Actuarial gains and losses are recognised under items of other comprehensive income (application of the new version of IAS 19).

## 3.13 FINANCIAL LIABILITIES

Financial liabilities correspond to the following items:

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

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

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

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

## 3.14 CONVERSION METHOD FOR FOREIGN CURRENCY TRANSACTIONS

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

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

## 3.15 SALES RECOGNITION

### 3.15.1 Freight and logistics activity

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

The Company's sales comprise:

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

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

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

### 3.15.2 IT service activity

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

- **Technical assistance, consulting, training and development services:**

- services recognised in sales on a time-spent basis: these services are recognised in sales, at the end of the month, or according to the contract terms and based on the services provided,

- services covered by a fixed-price contract: these services are recognised using the percentage of completion method.

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

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

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

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

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

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

- **Contracts featuring different items:** The different items are accounted for according to their nature and the principles described above.

## 3.16 EARNINGS PER SHARE

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

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

## 3.17 CONSOLIDATED CASH FLOW STATEMENT

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

- impairment of current assets is given in the cash inflows/outflows related to current assets,

- the net cash item assigned to acquisitions and disposals of subsidiaries corresponds to the acquisition price, less the net cash available (or increased by current cash liabilities) on the acquisition date, with similar logic applied to disposals,

- the opening and closing cash line items correspond to the cash assets (available cash or cash equivalents) from which the current cash liabilities (bank overdrafts) are deducted. They do not include current accounts with non-consolidated companies.

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

Ashish, CLASQUIN New Delhi
and Didier, CLASQUIN New York

# III. Operating segments and list of consolidated companies

## 1. Operating segments

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

**An operating segment is a part of the entity:**

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

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

- **segment 1:** Air and sea freight forwarding and related services ("Overseas Freight"),
- **segment 2:** Road haulage and logistics ("Road haulage"), which corresponds to the operating segment of the FINANCIÈRE GUEPPE sub-group sold on 28 December 2015.
- **segment 3:** IT service contractor ("IT services").

**Operating segment 1 comprises 3 business lines:**

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

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

Frank
CLASQUIN Hong Kong

Lucia
CLASQUIN Shanghai

## 2. List of consolidated companies

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

| Name of company | Registered office Siren No. | Consolidation method | % of control in 2015 | % of interest 2015 | % of control in 2014 | % of interest 2014 |
|---|---|---|---|---|---|---|
| **Parent company** | | | | | | |
| CLASQUIN SA | Lyon - 959 503 087 | Parent company | Holding company | Holding company | Holding company | Holding company |
| **Directly-owned companies** | | | | | | |
| CLASQUIN ITALIA SRL | Milan | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN ESPAÑA SL | Barcelona | Full consolidation | 100% | 100% | 100% | 100% |
| TRANSITOS INTERNACIONALES INTERCARGO 1999 SA | Barcelona | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN BURKINA FASO | Bobo-Dioulasso | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN GERMANY GMBH | Frankfurt | Full consolidation | 100% | 100% | 100% | 100% |
| FINANCIÈRE GUEPPE CLASQUIN SAS* | Lyon - 477 738 058 | Full consolidation | 100% | 70% | 100% | 70% |
| LOG SYSTEM SARL | Lyon - 335 146 965 | Full consolidation | 100% | 70% | 100% | 70% |
| CLASQUIN JAPAN KK LTD | Tokyo | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN SINGAPORE PTE LTD | Singapore | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN FAR EAST LTD | Hong Kong | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN SILK ROAD | Hong Kong | Full consolidation | 100% | 51% | 100% | 51% |
| CLASQUIN AUSTRALIA PTY LTD | Melbourne | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN KOREA LTD | Seoul | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN MALAYSIA LTD | Kuala Lumpur | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN CANADA INC. | Montreal | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN INDIA PVT LTD | Delhi | Full consolidation | 100% | 100% | 100% | 100% |
| CLASQUIN THAILAND CO LTD | Bangkok | Full consolidation | 100% | 49% | 100% | 49% |
| CLASQUIN USA INC. | New York | Full consolidation | 100% | 80% | 100% | 80% |
| CLASQUIN VIETNAM LTD | Ho Chi Minh City | Full consolidation | 100% | 51% | 100% | 51% |
| EXPRESS CONSOLIDATION SYSTEMS CORP. | Rutherford (New Jersey) | Full consolidation | 100% | 80% | 100% | 80% |
| FINANCIÈRE LCI SAS | Lyon - 810 246 686 | Full consolidation | 100% | 80% | N/A | N/A |

* The FINANCIÈRE GUEPPE sub-group was sold on 28 December 2015.

| Name of company | Registered office Siren No. | Consolidation method | % of control in 2015 | % of interest 2015 | % of control in 2014 | % of interest 2014 |
|---|---|---|---|---|---|---|
| **Indirect subsidiaries** | | | | | | |
| **COMPANY OWNED BY CLASQUIN SILK ROAD:** | | | | | | |
| CLASQUIN GEORGIA | Tbilisi | Full consolidation | 100% | 51% | 100% | 51% |
| **COMPANIES OWNED BY CLASQUIN FAR EAST LTD:** | | | | | | |
| CLASQUIN SHANGHAI LTD | Shanghai | Full consolidation | 100% | 100% | 100% | 100% |
| EUPHROSINE LTD | Hong Kong | Full consolidation | 100% | 69% | 100% | 69% |
| **COMPANY OWNED BY CLASQUIN USA INC.:** | | | | | | |
| SECURE CUSTOMS BROKERS INC. | New York | Full consolidation | 100% | 80% | 100% | 80% |
| **COMPANIES OWNED BY FINANCIÈRE GUEPPE CLASQUIN SAS*:** | | | | | | |
| GUEPPE CLASQUIN SAS* | Lyon - 316 418 276 | Full consolidation | 100% | 70% | 100% | 70% |
| CG LOC SAS* | Lyon - 384 666 780 | Full consolidation | 100% | 70% | 100% | 70% |
| **COMPANIES OWNED BY EXPRESS CONSOLIDATION SYSTEMS CORP.:** | | | | | | |
| EXPEDITED CONTAINER SERVICE INC. | Montreal | Full consolidation | 100% | 80% | 100% | 80% |
| EXPRESS CONSOLIDATION SYSTEMS BARBADOS LIMITED | Saint Michael | Full consolidation | 100% | 80% | 100% | 80% |
| **COMPANIES OWNED BY FINANCIÈRE LCI SAS:** | | | | | | |
| LCI CLASQUIN SAS | Villefranche - 382 411 908 | Full consolidation | 100% | 80% | N/A | N/A |
| LCI TUNISIE SARL | La Marsa (Tunisia) | Full consolidation | 99.9% | 79.92% | N/A | N/A |
| LCI TRANSPORT SARL | Rades (Tunisia) | Equity method | 45 % | 36 % | N/A | N/A |
| MED TIR SA | Rades (Tunisia) | Equity method | 48.25% | 38.6% | N/A | N/A |
| SCI LACHA | Villefranche - 398 371 914 | Equity method | 50% | 40% | N/A | N/A |

All companies are consolidated on the basis of their financial statements for the year ended 31 December 2015, covering a period of 12 months, except for companies acquired during the year, for which the period depends on their date of entry into the consolidation scope, as well as sold companies, which are included in the financial statements up until their disposal date.

# IV. Explanation of balance sheet and income statement items and changes thereto

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

## 1. Goodwill

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

| GOODWILL (in €k) | Value at 01/01/2015 | Acquisitions | Disposals | Foreign exchange difference | Value at 31/12/2015 |
|---|---|---|---|---|---|
| CGU 1 - OVERSEAS FREIGHT | | | | | |
| CLASQUIN ESPAÑA | 1 | | | | 1 |
| CLASQUIN JAPAN | 57 | | | | 57 |
| SECURE CUSTOMS BROKERS | 3 | | | | 3 |
| CLASQUIN THAILAND | 153 | | | | 153 |
| CLASQUIN CANADA | 44 | | | | 44 |
| INTERCARGO | 1,141 | | | | 1,141 |
| GÖRITZ AIRFREIGHT (GAF) | 627 | | | | 627 |
| ECS US(1) | 2,115 | (426) | | 236 | 1,925 |
| LCI CLASQUIN | | 10,137 | | | 10,137 |
| SUB-TOTAL | 4,141 | 9,711 | 0 | 236 | 14,089 |
| CGU 2 - ROAD HAULAGE | | | | | |
| GUEPPE CLASQUIN GROUP | 4,081 | | (4,081) | | |
| CGU 3 - IT SERVICES | | | | | |
| LOG SYSTEM | 108 | | | | 108 |
| TOTAL | 8,330 | 9,711 | (4,081) | 236 | 14,197 |

(1) Within the purchase price allocation period, a goodwill adjustment of €426k was recognised in 2015.

### Sensitivity tests

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

The goodwill arising from the acquisition of LCI CLASQUIN SAS and its subsidiaries amounted to €10.1m and was determined as follows:

| LCI CLASQUIN GROUP GOODWILL (in €k) | Historical value | Value adjustment | Value at 31/03/2015 |
|---|---|---|---|
| Assets (excluding deferred tax assets) | 10,682 | 335 | 11,017 |
| Liabilities (excluding deferred tax liabilities) | (7,091) | (83) | (7,174) |
| Deferred tax | | 30 | 30 |
| Net assets of LCI CLASQUIN Group | 3,591 | 282 | 3,873 |
| Percentage acquired (100%) | | | 3,873 |
| Share acquisition cost | | | 14,009 |
| GOODWILL | | | 10,136 |

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

Given that CLASQUIN SA owns 80% of FINANCIÈRE LCI, a put option over minority interests was calculated and accounted for using 2019-2021 projections, and was discounted at the rate of 2%. It has been decided that there will be no settlement before 31 March 2022.

### Impairment test

As at 31 December 2015, the assumptions used to determine the discount rate for each CGU were as follows:

- a risk-free rate of 0.83%, which is the 2015 monthly average of the rate of 10-Year Constant Maturity Treasuries,
- a market risk premium of 5% (retrospective application over the long term), defined by referring to the risk premium required by investors on the small and mid-cap market,
- a specific risk rate ("beta"), which takes into account the activity of each subsidiary, its maturity, the existence (or not) of a portfolio of recurring business and the breakdown of customers in this portfolio, valued at 1.5% for the Overseas Freight CGU and 1.6% for the IT Services CGU,
- a financial cost rate of 2.5%.

Resulting in a WACC of 7.9% for the Overseas Freight and 10.4% for IT Services, and a perpetuity growth rate prudently set at 2%.

## 2. Intangible assets

Changes in intangible assets are presented in the following tables:

| INTANGIBLE ASSETS (in €k) | 01/01/2015 | Change in consolidation scope | Increases | Reductions | Reclassification | Foreign exchange difference | 31/12/2015 |
|---|---|---|---|---|---|---|---|
| GROSS VALUE | | | | | | | |
| Software developed in-house | 5,568 | | 842 | (463) | | | 5,947 |
| Other software | 5,052 | (19) | 489 | (2) | | 2 | 5,522 |
| R&D costs and other assets | 675 | (5) | 120 | (16) | | (73) | 701 |
| GROSS VALUE | 11,295 | (24) | 1,451 | (481) | 0 | (71) | 12,170 |
| AMORTISATION | | | | | | | |
| Software developed in-house | (3,194) | | (553) | | | | (3,747) |
| Other software | (4,476) | 20 | (343) | 1 | | (1) | (4,799) |
| R&D costs and other assets | (523) | 2 | (56) | 16 | | (8) | (569) |
| AMORTISATION | (8,193) | 22 | (952) | 17 | 0 | (9) | (9,115) |
| NET VALUE | 3,102 | (2) | 499 | (464) | 0 | (80) | 3,055 |

Andre
CLASQUIN Beijing

Enrique
INTERCARGO Barcelona

Guylaine
CLASQUIN Montreal

## 3. Property, plant and equipment

| PROPERTY, PLANT AND EQUIPMENT (in €k) | 01/01/2015 | Change in consolidation scope | Increases | Reductions | Reclassification | Foreign exchange difference | 31/12/2015 |
|---|---|---|---|---|---|---|---|
| GROSS VALUE | | | | | | | |
| Buildings | 1,916 | | | | | 222 | 2,138 |
| Fixtures/fittings | 3,059 | (462) | 217 | (34) | (6) | 47 | 2,821 |
| Fixed assets under finance lease | 626 | (626) | | | | | |
| Other PP&E | 5,660 | (312) | 302 | (35) | 24 | 188 | 5,827 |
| Vehicles | 3,551 | (3,232) | 416 | (735) | | | |
| GROSS VALUE | 14,812 | (4,632) | 935 | (804) | 18 | 457 | 10,786 |
| DEPRECIATION | | | | | | | |
| Buildings | (194) | | (58) | | | (23) | (275) |
| Fixtures/fittings | (2,007) | 545 | (315) | 34 | 75 | (33) | (1,701) |
| Fixed assets under finance lease | (149) | 239 | (90) | | | | |
| Other PP&E | (4,725) | 293 | (449) | 34 | (93) | (80) | (5,020) |
| Vehicles | (1,556) | 1,470 | (558) | 644 | | | |
| DEPRECIATION | (8,631) | 2,547 | (1,470) | 712 | (18) | (136) | (6,996) |
| NET VALUE | 6,181 | (2,085) | (535) | (92) | 0 | 321 | 3,790 |

Increases in Fixtures/fittings are due to investments made in France.

Fixed assets under finance lease consisted of vehicles at GUEPPE CLASQUIN.

Laurane
CLASQUIN Nantes

## 4. Securities and other financial assets

| SECURITIES AND OTHER FINANCIAL ASSETS (in €k) | 01/01/2015 | Change in consolidation scope | Increases | Reductions | Reclassification | Foreign exchange difference | 31/12/2015 |
|---|---|---|---|---|---|---|---|
| GROSS VALUE | | | | | | | |
| Shares in non-consolidated companies | 1 | (1) | | | | | |
| Deposits and guarantees | 866 | (84) | 93 | (34) | 5 | 33 | 879 |
| Loans to non-consolidated companies | | | 63 | | | (2) | 61 |
| Other financial assets | 89 | 74 | | (85) | | | 78 |
| GROSS VALUE | 956 | (11) | 156 | (119) | 5 | 31 | 1,018 |
| IMPAIRMENT | | | | | | | |
| Shares in non-consolidated companies | | | | | | | |
| Deposits and guarantees | (42) | | | | 45 | (3) | |
| Loans to non-consolidated companies | 0 | | | | | | |
| Other financial assets | 0 | | | | | | |
| IMPAIRMENT | (42) | 0 | 0 | 0 | 45 | (3) | 0 |
| NET VALUE | 914 | (11) | 156 | (119) | 50 | 28 | 1,018 |

Increases in 'Deposits and guarantees' mainly relate to China and France.

## 5. Trade and other receivables

These are broken down as follows:

| BREAKDOWN (in €k) | Gross value at 31/12/2015 | Gross value at 31/12/2014 |
|---|---|---|
| Trade receivables | 63,742 | 63,283 |
| Customer invoices to be issued | 658 | 765 |
| Other receivables | 2,651 | 1,637 |
| Tax receivables | 728 | 970 |
| TOTAL | 67,779 | 66,655 |

## 6. Impairment of current assets

| IMPAIRMENT (in €k) | Value at 01/01/2015 | Change in consolidation scope | Charges | Write-backs | Reclassification | Foreign exchange difference | Value at 31/12/2015 |
|---|---|---|---|---|---|---|---|
| Trade receivables | (1,574) | 15 | (713) | 491 | | (39) | (1,820) |
| TOTAL | (1,574) | 15 | (713) | 491 | 0 | (39) | (1,820) |

## 7. Cash and cash equivalents

| BREAKDOWN (in €k) | Gross value at 31/12/2015 | Gross value at 31/12/2014 |
|---|---|---|
| Cash equivalents | 146 | 76 |
| Bank accounts and cash | 20,297 | 13,092 |
| TOTAL | 20,443 | 13,168 |

## 8. Shareholder's equity

### 8.1 BREAKDOWN OF SHARE CAPITAL

CLASQUIN SA's share capital amounts to €4,613k consisting of 2,306,401 shares with a par value of €2 each.
Additional paid-in capital amounts to €4,245k.
It should be noted that under a liquidity contract the CLASQUIN GROUP buys back its own shares on the stock market (2,656 shares held at 31 December 2015).
This liquidity contract was agreed on 15 September 2009 with the service provider ODDO & Co.
In this respect, in 2015 CLASQUIN SA acquired 28,058 shares with a total value of €838k and a weighted average unit value of €29.88. Over the same period, CLASQUIN SA sold 31,331 shares at a total sale value of €910k, representing a weighted average unit value of €29.03.
Transactions carried out on treasury shares were eliminated from the consolidated financial statements.

### 8.2 DIVIDENDS

The dividends paid by CLASQUIN SA to its shareholders amounted to €1,845k in 2014 and €1,845k in 2015 (€0.80 per share); the sum of €2,000 was deducted from the latter amount to repay dividends on treasury shares held under the liquidity contract, leaving a net amount of €1,843k.

Eddy
CLASQUIN Hong Kong

## 9. Deferred tax

The recognition of deferred tax in the 2015 consolidated financial statements had the following impact, item by item:

| DEFERRED TAX ASSETS (in €k) | Amount as at 01/01/2015 | Change in consolidation scope | Impact on profit | Impact on reserves | Foreign exchange difference | Amount at 31/12/2015 |
|---|---|---|---|---|---|---|
| Finance lease | | | | | | |
| Intangible assets | 17 | | 2 | | | 19 |
| Employee incentive scheme and profit-sharing | | | | | | |
| Organic | 13 | 7 | (2) | | | 18 |
| Provision for pension payments | 210 | 3 | 25 | (8) | | 230 |
| Other temporary differences | 368 | | 86 | | 34 | 488 |
| Tax losses carried forward | 466 | | 13 | | 15 | 494 |
| DTA/DTL offset | (176) | | 74 | | | (102) |
| TOTAL | 898 | 10 | 198 | (8) | 49 | 1,147 |

| DEFERRED TAX LIABILITIES (in €k) | Amount as at 01/01/2015 | Change in consolidation scope | Impact on profit | Impact on reserves | Foreign exchange difference | Amount at 31/12/2015 |
|---|---|---|---|---|---|---|
| Finance leases | (20) | 32 | (12) | | | |
| Accelerated depreciation | (273) | 218 | 55 | | | |
| Intangible assets | (9) | | (4) | | | (13) |
| Other temporary differences | (136) | 20 | 14 | (10) | (3) | (115) |
| DTA/DTL offset | 176 | | (74) | | | 102 |
| TOTAL | (263) | 270 | (21) | (10) | (3) | (27) |

| | | | | | | |
|---|---|---|---|---|---|---|
| NET | 636 | 280 | 177 | (18) | 46 | 1,121 |

Unrecognised tax losses carried forward amounted to €0.7m on the basis of assessment as at 31/12/2015; they represent about €0.2m of future tax savings.

Tom
ECS-CLASQUIN Miami

Sylvain
CLASQUIN Head Office

# 10. Provisions

## 10.1 FIGURES

Changes in provisions can be broken down as follows:

| PROVISIONS (in €k) | Amounts at 01/01/2015 | Change in actuarial gains/ losses | Change in consolidation scope | Charges | Reversals | | Foreign exchange difference | Reclassification | Amounts at 31/12/2015 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Used | Unused | | | |
| Provision for retirement benefits | 865 | (28) | 14 | 182 | (31) | (22) | 8 | 12 | 1,000 |
| Commercial disputes | 217 | | | | (46) | (132) | 22 | | 61 |
| Other provisions | 22 | | (22) | 18 | | | | | 18 |
| TOTAL NON-CURRENT PROVISIONS | 1,104 | (28) | (8) | 200 | (77) | (154) | 30 | 12 | 1,079 |
| Commercial disputes | 210 | | | 18 | (21) | (189) | | | 18 |
| Company risks | 8 | | | | | | | | 8 |
| Other provisions | 39 | | | | | (39) | | | |
| TOTAL CURRENT PROVISIONS | 257 | 0 | 0 | 18 | (21) | (228) | 0 | 0 | 26 |

The non-current provision for commercial disputes was recognised during the determination of the fair value of the identifiable assets, liabilities and contingent liabilities of ECS US. The majority of this provision was written back during the year.

Current provisions for commercial disputes mainly relate to disputes in France.

## 10.2 RETIREMENT BENEFITS

### 10.2.1 Figures at the end of 2015

These are summarised in the following tables:

| PROVISION BY SUBSIDIARY | At 31/12/2015 | At 31/12/2014 |
|---|---|---|
| CLASQUIN SA | 389 | 372 |
| GUEPPE CLASQUIN | 0 | 48 |
| LOG SYSTEM | 237 | 210 |
| LCI CLASQUIN SAS | 64 | |
| TOTAL FRANCE | 690 | 630 |
| CLASQUIN JAPAN | 81 | 67 |
| CLASQUIN ITALIA | 91 | 81 |
| INTERCARGO | 63 | |
| CLASQUIN THAILAND | 33 | 33 |
| CLASQUIN VIETNAM | 42 | 26 |
| ECS CANADA | 0 | 28 |
| TOTAL | 1,000 | 865 |

| CHANGE IN THE PROVISION FOR PENSION PAYMENTS (France) | Present value of the unfunded liability | Actuarial gain/loss not recognised | Net balance sheet commitment | Recognition in the income statement | Recognition under items of other comprehensive income |
|---|---|---|---|---|---|
| AT 01/01/2015 | 630 | | 630 | | |
| Change in consolidation scope | 14 | | 14 | | |
| Cost of services rendered | 63 | | 63 | 63 | |
| Interest expenses | 11 | | 11 | 11 | |
| Services provided to employees | | | | | |
| Unrecognised actuarial gains/losses | | | | | |
| Net change in actuarial gains/losses | (28) | | (28) | | (28) |
| AT 31/12/2015 | 690 | 0 | 690 | 74 | (28) |

The principal assumptions made for measuring employee benefit schemes are as follows:

| PRINCIPAL ASSUMPTIONS | 31/12/2015 | 31/12/2014 |
|---|---|---|
| Discount rate for retirement benefits | 2.03% | 1.49% |
| Inflation rate | 2.00% | 2.00% |
| Salary increase rate | | |
| Employees and workers | 2.00% | 2.00% |
| Supervisory staff | 2.50% | 2.50% |
| Executives | 3.00% | 3.00% |
| Social security contribution rate | 45.00% | 45.00% |
| Mortality table | INSEE Men/Women 2002 | INSEE Men/Women 2002 |
| Staff turnover | | |
| Under-30 age group | 20.00% | 20.00% |
| 30 to 39 age group | 8.00% | 8.00% |
| 40 to 49 age group | 7.00% | 7.00% |
| 50 to 55 age group | 2.00% | 2.00% |
| Over-55 age group | 0.50% | 0.50% |

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

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

### 10.2.2 Sensitivity tests

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

A deviation of +/- 0.5% in the discount rate would result in a deviation of around +/- 7% in the provision as at 31/12/2015.

In addition, a sensitivity test was performed using the new staff turnover rates below:

| STAFF TURNOVER - SENSITIVITY TESTS | |
|---|---|
| Under-30 age group | 15.00% |
| 30 to 39 age group | 5.00% |
| 40 to 49 age group | 5.00% |
| 50 to 55 age group | 1.00% |
| Over-55 age group | 0.00% |

Using these new rates would have an impact of about €140k on the amount of the commitment.

### 10.2.3 Others

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

| SUBSIDIARIES CONTRIBUTING TO A MANAGEMENT FUND | 2015 expense (in €k) |
|---|---|
| **CLASQUIN AUSTRALIA** (Superannuation) | 30 |
| **CLASQUIN FAR EAST** (MPF Contribution) | 62 |
| **CLASQUIN KOREA** (Retirement Allowance) | 29 |

| SUBSIDIARIES WITH NO COMMITMENT IN RESPECT OF RETIREMENT BENEFITS, PURSUANT TO THE LAWS OF THEIR COUNTRY | Headcount of the subsidiary at 31/12/2015 |
|---|---|
| **CLASQUIN CANADA** | 7 |
| **CLASQUIN ESPAÑA** | 11 |
| **CLASQUIN GERMANY** | 15 |
| **CLASQUIN INDIA** | 16 |
| **CLASQUIN MALAYSIA** | 10 |
| **CLASQUIN SHANGHAI** | 79 |
| **CLASQUIN SINGAPORE** | 12 |
| **CLASQUIN USA** | 13 |
| **SECURE CUSTOMS BROKERS** | 4 |
| **INTERCARGO** | 32 |
| **ECS US** | 28 |
| **LCI TUNISIE** | 8 |

## 11. Loans and borrowings

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

| TYPE (amounts in €k) | Amounts at 01/01/2015 | Change in consolidation scope | New loans | Foreign exchange difference | Loan repayments | Amounts at 31/12/2015 | Less than 1 year | 1-5 years | More than 5 years |
|---|---|---|---|---|---|---|---|---|---|
| Bank borrowings | 10,768 | (1,278) | 12,004 | 142 | (2,512) | 19,124 | 4,065 | 11,456 | 3,603 |
| Finance leases | 417 | (292) | | | (125) | | | | |
| Bank overdrafts | 1,789 | | 3,807 | 2 | (1,789) | 3,809 | 3,809 | | |
| Other financial liabilities | 923 | 1,971 | | 39 | (172) | 2,761 | | 450 | 2,311 |
| TOTAL LOANS AND BORROWINGS | 13,897 | 401 | 15,811 | 183 | (4,598) | 25,694 | 7,874 | 11,906 | 5,914 |
| TOTAL LONG-TERM FINANCIAL LIABILITIES | | | | | | | | 17,820 | |
| TOTAL SHORT-TERM FINANCIAL LIABILITIES | | | | | | | 7,874 | | |

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

'Other financial liabilities' are mainly related to commitments to purchase minority interests in ECS US (€395k) and FINANCIÈRE LCI (€2,311k).

Members of the Back Office Finance team

### 11.2 TYPE OF LOAN RATES AND BREAKDOWN PER CURRENCY

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

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

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

| BREAKDOWN OF LOANS & BORROWINGS BY CURRENCY (in €k) | Currencies | Rate type | Covenants | At 31/12/2015 | At 31/12/2014 |
|---|---|---|---|---|---|
| Bank borrowings | EUR | Fixed | no | 17,742 | 9,513 |
| Bank borrowings | HKD | Variable | no | 804 | 785 |
| Bank borrowings | JPY | Fixed | no | 458 | 413 |
| Bank borrowings | USD | Fixed | no | 120 | 57 |
| SUB-TOTAL OF MISCELLANEOUS BANK BORROWINGS | | | | 19,124 | 10,768 |
| Finance leases | EUR | | | | 417 |
| SUB-TOTAL OF MISCELLANEOUS FINANCE LEASES | | | | | 417 |
| Bank overdrafts | EUR | | | 3,809 | 1,753 |
| Bank overdrafts | SGD | | | | |
| Bank overdrafts | THB | | | | |
| SUB-TOTAL OF MISCELLANEOUS BANK OVERDRAFTS | | | | 3,809 | 1,789 |
| Other financial liabilities | EUR | | | 2,379 | 73 |
| Other financial liabilities | USD | | | 364 | 834 |
| Other financial liabilities | HKD | | | 18 | 16 |
| SUB-TOTAL OF OTHER MISCELLANEOUS FINANCIAL LIABILITIES | | | | 2,761 | 923 |
| TOTAL | | | | 25,694 | 13,897 |

## 12. Trade and other payables

These are broken down as follows:

| BREAKDOWN (in €k) | Value at 31/12/2015 | Value at 31/12/2014 |
|---|---|---|
| Trade payables | 40,603 | 40,196 |
| Invoices to be received | 10,103 | 10,135 |
| Tax and welfare liabilities | 7,328 | 6,489 |
| Current tax payables | 323 | 504 |
| Other payables | 1,347 | 1,552 |
| TOTAL | 59,704 | 58,876 |

Nancy and some of her team mates
CLASQUIN Xiamen

## 13. Information on operating segments

As previously defined, the operating segments relate to:

- overseas freight (air, sea and other),
- road haulage (GUEPPE CLASQUIN), sub-group sold on 28 December 2015,
- IT services (LOG SYSTEM).

### 13.1 BALANCE SHEET AND INCOME STATEMENT BY OPERATING SEGMENT

#### 13.1.1 Balance sheet assets

| SEGMENT ASSETS (in €k) | Overseas Freight | Road Haulage GUEPPE CLASQUIN* | IT Services LOG SYSTEM | Inter-segment eliminations | CLASQUIN GROUP |
|---|---|---|---|---|---|
| Goodwill | 14,089 | | 108 | | 14,197 |
| Intangible assets | 3,051 | | 35 | (31) | 3,055 |
| Property, plant and equipment | 3,746 | | 63 | (19) | 3,790 |
| Equity investments | | | | | 0 |
| Other financial assets | 1,017 | | 1 | | 1,018 |
| Investments in equity affiliates | 716 | | | | 716 |
| Deferred tax | 1,054 | | 76 | 17 | 1,147 |
| TOTAL NON-CURRENT ASSETS | 23,673 | | 283 | (33) | 23,923 |
| Trade and other receivables | 62,314 | | 959 | (693) | 62,580 |
| Other current assets | 2,584 | | 67 | | 2,651 |
| Tax receivables | 706 | | 22 | | 728 |
| Cash and cash equivalents | 20,173 | | 270 | | 20,443 |
| TOTAL CURRENT ASSETS | 85,777 | | 1,318 | (693) | 86,402 |
| TOTAL SEGMENT ASSETS | 109,450 | 0 | 1,601 | (726) | 110,325 |

* The FINANCIÈRE GUEPPE sub-group was sold on 28 December 2015.

#### 13.1.2 Balance sheet liabilities

| SEGMENT LIABILITIES AND SHAREHOLDERS' EQUITY (in €k) | Overseas Freight | Road Haulage GUEPPE CLASQUIN* | IT Services LOG SYSTEM | Inter-segment eliminations | CLASQUIN GROUP |
|---|---|---|---|---|---|
| Share capital | | | | | 4,613 |
| Additional paid-in capital | | | | | 4,245 |
| Reserves | | | | | 9,508 |
| Profit/loss | | | | | 3,346 |
| SHAREHOLDERS' EQUITY - GROUP SHARE | | | | | 21,712 |
| SHAREHOLDERS' EQUITY - MINORITY INTERESTS | | | | | 2,083 |
| TOTAL SHAREHOLDERS' EQUITY | | | | | 23,795 |
| Deferred tax | 27 | | | | 27 |
| Non-current provisions | 842 | | 237 | | 1,079 |
| Long-term financial liabilities | 17,820 | | | | 17,820 |
| TOTAL NON-CURRENT LIABILITIES | 18,689 | | 237 | | 18,926 |
| Current provisions | 26 | | | | 26 |
| Short-term financial liabilities | 7,874 | | | | 7,874 |
| Trade and other payables | 51,255 | | 144 | (693) | 50,706 |
| Tax and welfare liabilities | 6,698 | | 630 | | 7,328 |
| Current tax payables | 323 | | | | 323 |
| Other current liabilities | 1,215 | | 132 | | 1,347 |
| TOTAL CURRENT LIABILITIES | 67,391 | | 906 | (693) | 67,604 |
| TOTAL SEGMENT LIABILITIES | 86,080 | 0 | 1,143 | (693) | 86,530 |
| TOTAL SEGMENT LIABILITIES AND SHAREHOLDERS' EQUITY | 86,080 | 0 | 1,143 | (693) | 110,325 |

* The FINANCIÈRE GUEPPE sub-group was sold on 28 December 2015.

### 13.1.3 Income statement

| SEGMENT INCOME STATEMENT (in €k) | Overseas Freight | Road Haulage GUEPPE CLASQUIN* | IT Services LOG SYSTEM | Inter-segment eliminations | CLASQUIN GROUP |
|---|---|---|---|---|---|
| SALES | 232,935 | | 3,023 | (1,752) | 234,206 |
| Cost of sales | (178,381) | | (480) | 273 | (178,588) |
| GROSS PROFIT | 54,554 | | 2,543 | (1,479) | 55,618 |
| Other purchases and external charges | (12,084) | | (352) | 757 | (11,679) |
| Taxes and duties | (731) | | (32) | | (763) |
| Staff expenses | (33,758) | | (1,873) | 695 | (34,936) |
| Net depreciation, amortisation & provisions | (1,652) | | (115) | 21 | (1,746) |
| Other current income | 1,098 | | 6 | | 1,104 |
| Other current expenses | (917) | | (7) | 15 | (909) |
| CURRENT OPERATING INCOME | 6,510 | | 170 | 9 | 6,689 |
| Other operating income | 113 | | | | 113 |
| Other operating expenses | (510) | | (3) | | (513) |
| OPERATING INCOME | 6,113 | | 167 | 9 | 6,289 |
| Net cost of debt | (195) | | | | (195) |
| Other financial income | 1,558 | | | (70) | 1,488 |
| Other financial expenses | (1,469) | | (3) | | (1,472) |
| Income from equity affiliates | 66 | | | | 66 |
| PROFIT BEFORE TAX | 6,073 | | 164 | (61) | 6,176 |
| Income tax | (1,801) | | (52) | (86) | (1,939) |
| PROFIT FROM CONTINUING OPERATIONS | 4,272 | | 112 | (147) | 4,237 |
| PROFIT FROM DISCONTINUED OPERATIONS | | 1,005 | | (1,259) | (254) |
| GROUP CONSOLIDATED NET PROFIT | 4,272 | 1,005 | 112 | (1,406) | 3,983 |
| Minority interests | | | | | 637 |
| NET PROFIT GROUP SHARE | 4,272 | 0 | 112 | (147) | 3,346 |

* The FINANCIÈRE GUEPPE sub-group was sold on 28 December 2015.

## 13.2 "OVERSEAS FREIGHT" OPERATING SEGMENT: GROSS PROFIT BREAKDOWN

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

| GROSS PROFIT BY GEOGRAPHICAL AREA (in €k) | 2015 | | 2014 | | 2015 / 2014 Change (1) | |
|---|---|---|---|---|---|---|
| | in €k | in % | in €k | in % | in €k | in % |
| France | 28,851 | 50.4% | 22,425 | 50.4% | 6,426 | 28.7% |
| - *Including LCI France* | *4,481* | *7.8%* | | | | |
| EMEA (excluding France) | 6,772 | 11.8% | 5,047 | 11.4% | 1,725 | 34.2% |
| Asia-Pacific | 15,995 | 27.9% | 13,527 | 30.4% | 2,468 | 18.2% |
| North America | 5,650 | 9.9% | 3,466 | 7.8% | 2,184 | 63.0% |
| - *Including ECS* | *2,709* | *4.7%* | *1,026* | *2.3%* | *1,683* | |
| TOTAL FOR COMPANIES BEFORE CONSOLIDATION ENTRIES | 57,268 | 100.0% | 44,465 | 100.0% | 12,803 | 28.8% |
| Consolidation entries | (2,714) | | (1,960) | | (754) | 38.5% |
| TOTAL OVERSEAS FREIGHT | 54,554 | | 42,505 | | 12,049 | 28.3% |

(1) At current exchange rates.

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

| GROSS PROFIT BY BUSINESS LINE (in €k) | 2015 | | 2014 | | 2015 / 2014 Change (1) | |
|---|---|---|---|---|---|---|
| | in €k | in % | in €k | in % | in €k | in % |
| Air freight | 19,102 | 35.0% | 16,569 | 39.0% | 2,533 | 15.3% |
| Sea freight | 27,812 | 51.0% | 22,529 | 53.0% | 5,283 | 23.4% |
| Other | 7,640 | 14.0% | 3,407 | 8.0% | 4,233 | 124.2% |
| - *Including LCI France and LCI Tunisie* | *4,692* | *8.6%* | | | *4,692* | |
| TOTAL OVERSEAS FREIGHT | 54,554 | 100.0% | 42,505 | 100.0% | 12,049 | 28.3% |

(1) At current exchange rates.

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

### 13.3.1 Group sales breakdown by currency

| SALES BY CURRENCY (in €k) | 2015 | | 2014 restated | | 2014 published | |
|---|---|---|---|---|---|---|
| | in €k | in % | in €k | in % | in €k | in % |
| Euro | 172,894 | 60.3% | 153,234 | 61.4% | 163,118 | 62.9% |
| USD/HKD | 49,164 | 17.1% | 36,892 | 14.8% | 36,892 | 14.2% |
| CNY | 31,147 | 10.9% | 27,319 | 10.9% | 27,319 | 10.5% |
| JPY | 10,724 | 3.7% | 12,555 | 5.0% | 12,555 | 4.8% |
| Other | 22,890 | 8.0% | 19,538 | 7.8% | 19,538 | 7.5% |
| TOTAL BEFORE CONSOLIDATION ENTRIES | 286,819 | 100.0% | 249,538 | 100.0% | 259,422 | 100.0% |
| Consolidation entries | (52,613) | | (47,815) | | (47,962) | |
| TOTAL AFTER CONSOLIDATION ENTRIES | 234,206 | | 201,723 | | 211,460 | |

### 13.3.2 Impact of foreign exchange rates on Group sales

| IMPACT OF EXCHANGE RATES ON SALES (in €k) | 2015 | 2014 restated | *Change* | % | 2014 published | *Change* | % |
|---|---|---|---|---|---|---|---|
| At current exchange rates | 234,206 | 201,723 | *32,483* | *16.1%* | 211,460 | *22,746* | *10.8%* |
| At constant exchange rates | 219,987 | 201,723 | *18,264* | *9.1%* | 211,460 | *8,527* | *4.0%* |
| DIFFERENCE | | | *(14,219)* | *-7.0%* | | *(14,219)* | *-6.7%* |

### 13.3.3 Breakdown of Group gross profit by currency

| GROSS PROFIT BY CURRENCY (in €k) | 2015 | | 2014 restated | | 2014 published | |
|---|---|---|---|---|---|---|
| | in €k | in % | in €k | in % | in €k | in % |
| Euro | 37,923 | 63.4% | 29,970 | 63.8% | 36,913 | 68.4% |
| USD/HKD | 9,904 | 16.6% | 7,174 | 15.3% | 7,174 | 13.3% |
| CNY | 5,368 | 9.0% | 4,208 | 9.0% | 4,208 | 7.8% |
| JPY | 1,830 | 3.1% | 1,931 | 4.1% | 1,931 | 3.6% |
| Other | 4,786 | 8.0% | 3,711 | 7.9% | 3,711 | 6.9% |
| TOTAL BEFORE CONSOLIDATION ENTRIES | 59,811 | 100.0% | 46,994 | 100.0% | 53,937 | 100.0% |
| Consolidation entries | (4,193) | | (3,370) | | (3,511) | |
| TOTAL AFTER CONSOLIDATION ENTRIES | 55,618 | | 43,624 | | 50,426 | |

### 13.3.4 Impact of foreign exchange rates on Group gross profit

| IMPACT OF EXCHANGE RATES ON GROSS PROFIT (in €k) | 2015 | 2014 restated | *Change* | % | 2014 published | *Change* | % |
|---|---|---|---|---|---|---|---|
| At current exchange rates | 55,618 | 43,624 | *11,994* | *27.5%* | 50,426 | *5,192* | *10.3%* |
| At constant exchange rates | 52,861 | 43,624 | *9,237* | *21.2%* | 50,426 | *2,435* | *4.8%* |
| DIFFERENCE | | | *(2,757)* | *-6.3%* | | *(2,757)* | *-5.5%* |

## 14. Breakdown of other operating income and expenses

Income tax may be broken down as follows:

| BREAKDOWN OF OTHER OPERATING INCOME AND EXPENSES (in €k) | 2015 | 2014 restated | 2014 published |
|---|---|---|---|
| Income from asset disposals | 11 | 21 | 281 |
| Other non-recurring income | 102 | 5 | 5 |
| OTHER OPERATING INCOME | 113 | 26 | 286 |
| Net values of assets disposed of or retired | (481) | (47) | (333) |
| Other non-recurring expenses | (32) | (21) | (34) |
| OTHER OPERATING EXPENSES | (513) | (68) | (367) |

## 15. Net financial income/expense

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

| BREAKDOWN OF NET FINANCIAL INCOME/EXPENSE (in €k) | 2015 | 2014 restated | 2014 published |
|---|---|---|---|
| Gross cost of debt | (217) | (123) | (160) |
| Income from cash and cash equivalents | 22 | 66 | 69 |
| NET COST OF DEBT | (195) | (57) | (91) |
| Foreign exchange gains | 1,475 | 679 | 679 |
| Other financial income | 13 | | |
| Write-back of impairment of financial assets | | 32 | 32 |
| OTHER FINANCIAL INCOME | 1,488 | 711 | 711 |
| Provision for impairment of financial assets | | | |
| Provisions for financial risk | (10) | (16) | (17) |
| Foreign exchange losses | (1,462) | (1,026) | (1,026) |
| Other financial expenses | | | |
| OTHER FINANCIAL EXPENSES | (1,472) | (1,042) | (1,043) |
| NET FINANCIAL INCOME/EXPENSE | (179) | (388) | (423) |

## 16. Income tax

### 16.1 INCOME TAX BREAKDOWN

Income tax for the year ended 31 December 2015 is broken down as follows:

- €2,116k of current tax payables, compared to €1,435k published in 2014 (and €1,028k restated excluding discontinued operations),
- €177k deferred tax income from tax loss carry-forwards and deferred depreciation, or relating to temporary differences, for both French and foreign companies. The amounted recognised at 31 December 2014 was €105k (and €100k restated excluding discontinued operations).

Renaud
CLASQUIN Paris

Barbara
CLASQUIN Head Office

Thijs
CLASQUIN Melbourne

## 16.2 TAX PROOF

| TAX PROOF | 2015 | 2014 restated | 2014 published |
|---|---|---|---|
| Consolidated net profit | 3,983 | 2,489 | 2,489 |
| Income tax | (1,939) | (918) | (1,330) |
| Profit before tax | 5,922 | 3,407 | 3,819 |
| THEORETICAL TAX EXPENSE (AT 33.33%) | (1,974) | (1,136) | (1,273) |
| TAX EXPENSE RECOGNISED | (1,939) | (918) | (1,330) |
| TAX DIFFERENCE TO ANALYSE(1) | (35) | (218) | 57 |

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

| ANALYSIS OF THE TAX DIFFERENCE | 2015 | 2014 restated | 2014 published |
|---|---|---|---|
| Difference in rate for foreign companies | (273) | (41) | (41) |
| Unrecognised tax losses for the year | 41 | 187 | 187 |
| Use of previously unrecognised tax losses | (76) | (23) | (23) |
| Items taxed at different rates, tax credits & other items | (114) | (32) | (59) |
| Differences related to French business value added tax (CVAE) | 268 | 181 | 221 |
| Discontinued operations | 59 | (233) | |
| Permanent differences | 60 | (257) | (228) |
| TOTAL | (35) | (218) | 57 |

In accordance with treatment permitted by the National Accounting Committee, since 2011 the CLASQUIN GROUP has classified French business value added tax (CVAE) on the tax line of the income statement. This sum amounts to €393k (€330k in 2014). On the other hand, deferred tax liabilities have been recognised, amounting to €42k at 31 December 2015 (including a €6k change over the accounting period). The impact is found in the 'Taxes due on permanent differences' section of the tax analysis.

Romain and Stéphanie
CLASQUIN Help Desk

## 17. Earnings per share

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

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

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

| EARNINGS PER SHARE | 2015 | 2014 |
|---|---|---|
| NET PROFIT FROM CONTINUING OPERATIONS - GROUP SHARE (IN €K) | 3,901 | 1,639 |
| NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS - GROUP SHARE (IN €K) | (555) | 489 |
| CONSOLIDATED NET PROFIT - GROUP SHARE (IN €K) | 3,346 | 2,128 |
| Number of weighted ordinary shares at the start of the year | 2,306,401 | 2,306,401 |
| Treasury shares held at year-end | (2,656) | (5,929) |
| Number of weighted ordinary shares in circulation | 2,303,745 | 2,300,472 |
| NET EARNINGS PER SHARE - CONTINUING OPERATIONS (IN €) (1) | 1.69 | 0.71 |
| NET EARNINGS PER SHARE - DISCONTINUED OPERATIONS (IN €) (1) | -0.24 | 0.21 |
| NET EARNINGS PER SHARE (IN €) (1) | 1.45 | 0.93 |
| Dilutive instruments (convertible shares) | | |
| Number of weighted ordinary shares outstanding including potential dilutive instruments | 2,303,745 | 2,300,472 |
| NET DILUTED EARNINGS PER SHARE - CONTINUING OPERATIONS (IN €) (1) | 1.69 | 0.71 |
| NET DILUTED EARNINGS PER SHARE - DISCONTINUED OPERATIONS (IN €) (1) | -0.24 | 0.21 |
| NET DILUTED EARNINGS PER SHARE (IN €) (1) | 1.45 | 0.93 |

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

## 18. Commitments and guarantees

### 18.1 GUARANTEES

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

| GUARANTEES (in €k) | 2015 | 2014 |
|---|---|---|
| ... given by CLASQUIN SA on behalf of its SUBSIDIARIES: | | |
| CLASQUIN AUSTRALIA | 148 | 148 |
| CLASQUIN FAR EAST | 975 | 874 |
| CLASQUIN GERMANY | 355 | 355 |
| CLASQUIN ITALIA | 100 | 100 |
| CLASQUIN JAPAN | 381 | 344 |
| CLASQUIN MALAYSIA | 64 | 71 |
| CLASQUIN SHANGHAI | 1,234 | 1,156 |
| CLASQUIN SINGAPORE | 152 | 146 |
| CLASQUIN THAILAND | 85 | 85 |
| CLASQUIN VIETNAM | 101 | 91 |
| ECS US | 459 | 412 |
| ... given by CLASQUIN SA on behalf of CLASQUIN PERFORMANCES EMPLOYEE INVESTMENT FUND: | 600 | 600 |
| ... given by CLASQUIN SA on behalf of AIR France CARGO: | 12 | |
| ... given by CLASQUIN FAR EAST on behalf of CHINA CONSTRUCTION BANK: | 749 | 749 |
| TOTAL | 5,415 | 5,131 |

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

### 18.2 OPERATING LEASE COMMITMENTS

These are set out in the table below:

| CONTRACTUAL OBLIGATIONS (in €k) | Total 31/12/2015 | 1 year | Over 1 year | 31/12/2014 |
|---|---|---|---|---|
| Operating leases | 2,278 | 1,316 | 962 | 2,055 |
| TOTAL | 2,278 | 1,316 | 962 | 2,055 |

### 18.3 ASSET/LIABILITY GUARANTEES

Asset-liability guarantees applicable as at 31 December 2015 are set out below:

| DESCRIPTION | Received/ given | Purpose | Start date | End date | Beneficiary | Limit amount |
|---|---|---|---|---|---|---|
| Acquisition of INTERCARGO shares | Received | Normal statutory, financial, tax and operating guarantees | 04/09/2012 | 03/03/2017 | CLASQUIN SA & INTERCARGO | €1,775k |
| Acquisition of shares of GARNETT LOGISTICS GROUP INC. (ECS US) | Received | Normal statutory, financial, tax and operating guarantees | 24/09/2014 | 31/12/2017 | CLASQUIN SA in its own name and in that of the Group companies, including the ECS US GROUP companies | $840k |
| Acquisition of shares of GÖRITZ AIRFREIGHT GmbH | Received | Normal statutory, financial, tax and operating guarantees | 30/09/2014 | 31/12/2018 | CLASQUIN GERMANY in its own name and in that of the Group companies | No ceiling |
| Acquisition of shares of LCI CLASQUIN SAS (formerly LCI INTERNATIONAL SAS) | Received | Normal statutory, financial, tax and operating guarantees | 31/03/2015 | 31/03/2019 excl. tax, employment and customs claims (statutory requirements) | FINANCIÈRE LCI and the subsidiaries of LCI CLASQUIN Group (formerly LCI INTERNATIONAL SAS) | €3.2m until 31/03/2016 then €2.4m until 31/03/2017 then €1.6M until 31/03/2018 then €800k until 31/03/2019 |
| Disposal of shares of FINANCIÈRE GUEPPE SAS | Given | Normal statutory, financial, tax and operating guarantees | 28/12/2015 | 28/12/2018 excl. tax claims (statutory requirements) | TRANSPORT ALAINÉ | 70% of €600k |

## 19. Other Information

### 19.1 HEADCOUNT BREAKDOWN, EMPLOYEE INCENTIVE SCHEME AND PROFIT-SHARING

The number of employees in fully consolidated companies as at 31 December 2015 is shown in detail in the following table (including corporate officers):

#### 19.1.1 Headcount: breakdown by geographical area

| HEADCOUNT BY GEOGRAPHICAL AREA | 31/12/2015 | | | 31/12/2014 | | | 2015/2014 change | |
|---|---|---|---|---|---|---|---|---|
| | Number | % | % total | Number | % | % total | *Number* | *%* |
| France (excluding GUEPPE CLASQUIN & LOG SYSTEM) (1) | 274 | 42.5% | 40.7% | 221 | 38.0% | 33.0% | *53* | *24.0%* |
| EMEA (excluding France) (2) | 77 | 11.9% | 11.4% | 64 | 11.0% | 9.6% | *13* | *20.3%* |
| Asia-Pacific | 242 | 37.5% | 35.9% | 244 | 41.9% | 36.4% | *(2)* | *-0.8%* |
| North America | 52 | 8.1% | 7.7% | 53 | 9.1% | 7.9% | *(1)* | *-1.9%* |
| TOTAL EXCLUDING GUEPPE CLASQUIN & LOG SYSTEM | 645 | 100.0% | 95.7% | 582 | 100.0% | 86.9% | *63* | *10.8%* |
| GUEPPE CLASQUIN (3) | | | | 59 | | 8.8% | *(59)* | *-100.0%* |
| LOG SYSTEM | 29 | | 4.3% | 29 | | 4.3% | | |
| TOTAL | 674 | | 100.0% | 670 | | 100.0% | *4* | *0.6%* |

(1) Of which LCI France 40 persons.
(2) Of which LCI Tunisie 8 persons.
(3) Disposal of FINANCIÈRE GUEPPE sub-group on 28 December 2015.

### 19.1.2 Headcount: breakdown by function

| HEADCOUNT BY FUNCTION | 31/12/2015 Number | 31/12/2015 % | 31/12/2015 % total | 31/12/2014 Number | 31/12/2014 % | 31/12/2014 % total | 2015/2014 change Number | 2015/2014 change % |
|---|---|---|---|---|---|---|---|---|
| Operations | 408 | 63.3% | 60.5% | 357 | 61.3% | 53.3% | 51 | 14.3% |
| Sales staff | 99 | 15.3% | 14.7% | 89 | 15.3% | 13.3% | 10 | 11.2% |
| Back office | 91 | 14.1% | 13.5% | 89 | 15.3% | 13.3% | 2 | 2.2% |
| Country & Profit Centre Managers | 47 | 7.3% | 7.0% | 47 | 8.1% | 7.0% | | |
| TOTAL EXCLUDING GUEPPE CLASQUIN & LOG SYSTEM | 645 | 100.0% | 95.7% | 582 | 100.0% | 86.9% | 63 | 10.8% |
| GUEPPE CLASQUIN | | | | 59 | | 8.8% | (59) | -100.0% |
| LOG SYSTEM | 29 | | 4.3% | 29 | | 4.3% | | |
| TOTAL | 674 | | 100.0% | 670 | | 100.0% | 4 | 0.6% |

| HEADCOUNT BY FUNCTION | Of which LCI France and LCI Tunisie |
|---|---|
| Operations | 38 |
| Sales staff | 3 |
| Back office | 4 |
| Country & Profit Centre Managers | 3 |
| TOTAL | 48 |

Members of the CLASQUIN Seoul team

### 19.1.3 Employee incentive scheme and profit-sharing

The cost of the incentive scheme applicable at CLASQUIN SA was €1,151k for 2015 versus €873k for the previous year.

The cost of the incentive scheme applicable at LOG SYSTEM SARL was €52k for 2015 versus €14k for 2014.

At 31 December 2015, as at 31 December 2014, CLASQUIN SA did not carry out a mandatory profit-sharing distribution.

## 19.2 DIRECTORS

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

### 19.2.1 Remuneration paid to members of administrative and management bodies

The remuneration paid to members of administrative and management bodies amounted to €734k for 2015, including €20k of benefits in kind. This comprised remuneration under employment contracts and for corporate office.

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

### 19.2.2 Commitments for pensions and similar benefits

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

## 19.3 STATUTORY AUDITORS' FEES

The fees paid by the CLASQUIN GROUP to the statutory auditors and members of their networks for the 2015 financial year are set out in the following table:

| FEES OF THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS (in €k) | SEGECO AUDIT RHÔNE-ALPES | | MAZARS | | PAN-CHINA (HK) CPA LTD | | DUROZOY | |
|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| **AUDIT** | | | | | | | | |
| Statutory audit | | | | | | | | |
| *Parent company:* | *32* | 34 | *32* | 34 | | | | |
| *Fully consolidated subsidiaries:* | *41* | 28 | *72* | 76 | *13* | 10 | *8* | |
| *Discontinued operations:* | *8* | 8 | | | | | | |
| Other audits | | | | | | | | |
| *Parent company:* | | | | | | | | |
| *Fully consolidated subsidiaries:* | | | | | | | | |
| **SUB-TOTAL:** | 81 | 70 | 104 | 110 | 13 | 10 | 8 | 0 |
| **OTHER SERVICES** | | | | | | | | |
| *Legal, tax, employment:* | | | | | | | | |
| *Other:* | | | | | | | | |
| **SUB-TOTAL:** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | 81 | 70 | 104 | 110 | 13 | 10 | 8 | 0 |

## 19.4 KEY FINANCIAL INDICATORS

| KEY FINANCIAL INDICATORS (in €k) | 2015 | % | 2014 restated | % | *Change (%)* | 2014 published | % |
|---|---|---|---|---|---|---|---|
| SALES | 234,206 | | 201,723 | | *16.1%* | 211,460 | |
| SUB-CONTRACTING | (178,588) | | (158,099) | | *13.0%* | (161,034) | |
| GROSS PROFIT | 55,618 | 100.0% | 43,624 | 100.0% | *27.5%* | 50,426 | 100.0% |
| Premises and related expenses | (4,201) | -7.6% | (3,336) | -7.6% | *25.9%* | (3,640) | -7.2% |
| Communication expenses | (1,673) | -3.0% | (1,288) | -3.0% | *29.9%* | (1,341) | -2.7% |
| Marketing | (854) | -1.5% | (757) | -1.7% | *12.8%* | (869) | -1.7% |
| Travel expenses | (2,275) | -4.1% | (2,215) | -5.1% | *2.7%* | (3,450) | -6.8% |
| Fees | (1,314) | -2.4% | (1,075) | -2.5% | *22.2%* | (1,130) | -2.2% |
| Insurance | (957) | -1.7% | (822) | -1.9% | *16.4%* | (965) | -1.9% |
| Sundry | (579) | -1.0% | (509) | -1.2% | *13.8%* | (664) | -1.3% |
| TOTAL EXTERNAL EXPENSES | (11,853) | -21.3% | (10,002) | -22.9% | *18.5%* | (12,059) | -23.9% |
| ADDED VALUE | 43,765 | 78.7% | 33,622 | 77.1% | *30.2%* | 38,367 | 76.1% |
| Salaries and costs | (35,525) | -63.9% | (29,047) | -66.6% | *22.3%* | (32,056) | -63.6% |
| EBITDA | 8,240 | 14.8% | 4,575 | 10.5% | *80.1%* | 6,311 | 12.5% |
| Net depreciation, amortisation and provisions | (1,746) | -3.1% | (1,657) | -3.8% | *5.4%* | (2,237) | -4.4% |
| Other current income | 1,104 | 2.0% | 1,098 | 2.5% | *0.5%* | 1,126 | 2.2% |
| Other current expenses | (909) | -1.6% | (878) | -2.0% | *3.5%* | (878) | -1.7% |
| CURRENT OPERATING INCOME | 6,689 | 12.0% | 3,139 | 7.2% | *113.1%* | 4,323 | 8.6% |
| Other operating income | 113 | 0.2% | 26 | 0.1% | *334.6%* | 286 | 0.6% |
| Other operating expenses | (513) | -0.9% | (68) | -0.2% | *654.4%* | (367) | -0.7% |
| NET TOTAL | (400) | -0.7% | (42) | -0.1% | *852.4%* | (81) | -0.2% |
| OPERATING INCOME | 6,289 | 11.3% | 3,097 | 7.1% | *103.1%* | 4,242 | 8.4% |
| Financial income | 1,510 | 2.7% | 777 | 1.8% | *94.3%* | 780 | 1.5% |
| Financial expenses | (1,689) | -3.0% | (1,165) | -2.7% | *45.0%* | (1,203) | -2.4% |
| NET FINANCIAL INCOME/EXPENSE | (179) | -0.3 % | (388) | -0.9% | *-53.9%* | (423) | -0.8% |
| Income from equity affiliates | 66 | 0.1% | | | | | |
| PROFIT BEFORE TAX | 6,176 | 11.1% | 2,709 | 6.2% | *128.0%* | 3,819 | 7.6% |
| Income tax | (1,939) | -3.5% | (918) | -2.1% | *111.2%* | (1,330) | -2.6% |
| PROFIT FROM CONTINUING OPERATIONS | 4,237 | 7.6% | 1,791 | 4.1% | *136.6%* | 2,489 | 4.9% |
| PROFIT FROM DISCONTINUED OPERATIONS | (254) | -0.5% | 698 | 1.6% | *-136.4%* | | |
| GROUP CONSOLIDATED NET PROFIT | 3,983 | 7.2% | 2,489 | 5.7% | *60.0%* | 2,489 | 4.9% |
| Minority interests | 637 | 1.1% | 361 | 0.8% | *76.5%* | 361 | 0.7% |
| NET PROFIT GROUP SHARE | 3,346 | 6.0% | 2,128 | 4.9% | *57.3%* | 2,128 | 4.2% |
| GROSS OPERATING CASH FLOW | 7,794 | 14.0% | 4,697 | 10.8% | *65.9%* | 4,697 | 9.3% |

## 19.5 POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

## 19.6 RELATED PARTIES

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

| RELATED PARTY TRANSACTIONS (in €k) | TOTAL | | SARL TIM LANEA* | | SARL GUEPPE FINANCE ET GESTION* | | SCI CHALAROGUE* | | SCI HERA* | | SCI DE LA LOUVE | | OLYMP SAS | | SCI CALLIOPE | | SCI MAIALYS | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| TRADE RECEIVABLES | 24 | 21 | | | | | | | 1 | 1 | 5 | 5 | 0 | 1 | 13 | 5 | 5 | 9 |
| TRADE PAYABLES | 13 | 359 | | 7 | | 326 | | | | | | | 13 | 26 | | | | 0 |
| Management fees | 718 | 992 | | | 586 | 860 | | | | | | | 132 | 132 | | | | |
| Other external expenses | 888 | 912 | 44 | 6 | | | 243 | 239 | 58 | 58 | 189 | 196 | | | 156 | 163 | 198 | 250 |
| TOTAL OPERATING EXPENSES | 1,606 | 1,904 | 44 | 6 | 586 | 860 | 243 | 239 | 58 | 58 | 189 | 196 | 132 | 132 | 156 | 163 | 198 | 250 |
| OPERATING INCOME | 33 | 36 | | | | | | | 1 | 1 | 4 | 4 | 17 | 20 | 4 | 4 | 7 | 7 |

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

Members of the CLASQUIN New Delhi team

## V. Financial risk management

The Group is exposed to the following risks:

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

### 1. Credit risk

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

CLASQUIN has a diversified customer portfolio where no single customer accounts for more than 4% of the Group's consolidated gross profit for the 2015 financial year. The CLASQUIN offer targets all business sectors and in particular SMEs developing international business and large groups looking for customised services. The loss of a customer is not likely to have a material impact on CLASQUIN's sales, given the diversity of the portfolio and the respective contribution of each customer to the Group's sales.

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

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

In general, each customer is covered by credit guarantee insurance issued by COFACE or SFAC. This requirement means that financially sound customers can be selected, which helps to reduce the risk of default. However the Group cannot exclude the possibility of working with a company which, despite approval by COFACE or SFAC, finds itself, at any given time, faced with serious cash flow problems, causing it to cease trading. In this case, COFACE or SFAC will pay compensation to CLASQUIN in accordance with the portion stipulated in the contract. In certain cases, the Group may work with customers "not covered" by the credit guarantee insurance companies mentioned above. However, these cases are subject to prior authorisation by the management on the basis of additional financial analysis.

David, CLASQUIN Head Office
and Benoit, CLASQUIN Lyon

### 1.1 EXPOSURE TO CREDIT RISK

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

| EXPOSURE TO CREDIT RISK (in €k) | Book value | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | AT 31/12/2015 | | | | | | | AT 31/12/2014 | | | | | | |
| | TOTAL | EURO | USD/HKD | JYE | CNY | USD | Other | TOTAL | EURO | USD/HKD | JYE | CNY | USD | Other |
| Loans, deposits, guarantees and trade receivables | 63,598 | 50,346 | 3,204 | 964 | 2,770 | 3,043 | 3,271 | 63,387 | 47,985 | 3,229 | 1,068 | 3,550 | 4,012 | 3,543 |
| Cash equivalents (including current accounts) | | | | | | | | | | | | | | |
| Forward currency contracts used for hedging | 2,050 | | 850 | 480 | 720 | | | 3,049 | | 1,000 | 549 | 1,500 | | |
| TOTAL | 65,648 | 50,346 | 4,054 | 1,444 | 3,490 | 3,043 | 3,271 | 66,436 | 47,985 | 4,229 | 1,617 | 5,050 | 4,012 | 3,543 |

### 1.2 IMPAIRMENT

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

| IMPAIRMENT (in €k) | Book value | |
|---|---|---|
| | AT 31/12/2015 | AT 31/12/2014 |
| Risk-free trade receivables | 61,837 | 61,666 |
| Doubtful trade receivables (gross) | 1,905 | 1,617 |
| Provision for doubtful receivables | (1,820) | (1,574) |
| NET TRADE RECEIVABLES | 61,922 | 61,709 |

Kendy, Adrien and Virgil
CLASQUIN Paris CDG

## 2. Liquidity risk

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

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

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

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

No CLASQUIN GROUP loans are subject to bank covenants.

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

| REMAINING MATURITY FOR FINANCIAL LIABILITIES (in €k) | Book value at 31/12/2015 | Contractual cash flow | 1 year | 1 to 2 years | 2 to 5 years | Over 5 years |
|---|---|---|---|---|---|---|
| NON-DERIVATIVE FINANCIAL LIABILITIES | | | | | | |
| Bank loans | 19,124 | 19,124 | 4,065 | 3,496 | 7,960 | 3,603 |
| Convertible bonds | | | | | | |
| Finance lease liabilities | | | | | | |
| Other non-current liabilities | 2,761 | 2,761 | | 68 | 382 | 2,311 |
| Bank facilities | | | | | | |
| Trade payables and other current liabilities | 59,704 | 59,704 | 59,704 | | | |
| Bank overdrafts | 3,809 | 3,809 | 3,809 | | | |
| DERIVATIVE FINANCIAL LIABILITIES | | | | | | |
| Interest rate swaps used as hedging instruments: Liabilities | | | | | | |

## 3. Market risk

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

### 3.1 INTEREST RATE RISK

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

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

### 3.2 CURRENCY RISKS

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

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

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

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

### 3.3 EQUITY RISK

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

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

# Statutory Auditors' Report

## on the consolidated financial statements for the financial year ended 31 December 2015

### To the shareholders,

In accordance with the mission entrusted to us at your Annual General Meeting, we hereby present our report for the financial year ended 31 December 2015, on:

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

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

### Opinion on the consolidated financial statements

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

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

### Justification of assessments

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

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

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

### Specific testing

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

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

Executed in Lyon and Villeurbanne on 27 April 2016

The Statutory Auditors

| | |
|---|---|
| MAZARS | SEGECO AUDIT RHÔNE-ALPES |
| Paul-Armel JUNNE | Alain Descoins |

# Management report & Text of resolutions



Kenya
CLASQUIN Tokyo

Jean-Marc
CLASQUIN Head Office

# Contents

## Annexes

# I. Board of Directors Management Report

## on the financial statements for the year ended 31 December 2015

Dear Shareholders,

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

– report on the operations of our Company, its subsidiaries and the CLASQUIN GROUP for the financial year ended 31 December 2015, as well as the results of these operations and the outlook for the future,

– submit for your approval the balance sheet, the Company and consolidated financial statements of said financial year and the recommended appropriation of earnings.

– recommend that you reappoint the Board members whose terms of office are due to expire,

– recommend that you approve the allocation of directors' fees,

– recommend that you authorise the Board of Directors to buy back the Company's shares and reduce the share capital by cancelling shares held by the Company,

- recommend that you authorise the Board of Directors to grant existing or new bonus shares,

- recommend that you adopt a resolution pursuant to the law on employee savings schemes.

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

### 1. CLASQUIN GROUP

**Global trade up nearly 3% in volume**

The global market is estimated to have grown by 1-2% in 2015 for sea freight forwarding and declined by 0.5-1.0% for air freight.

Sea freight rates have been highly volatile throughout the year.

**Robust growth in sales and gross profit**

The strong growth in the number of shipments (up 21.4%) is the result of both organic growth and acquisitions carried out during Q4 2014 (ECS & GAF) and Q2 2015 (LCI).

The sea freight business increased its number of containers by 17.7% (123,000 twenty-foot equivalent units) and air freight increased tonnage by 3.1% (51,000 tonnes).

Gross profit (up 27.5%) grew strongly as a result of both the volume increase and the improvement in unit margins.

**Current operating income** soared 113.2% to €6.7m due to the strong growth in gross profit and the limited 1.4% like-for-like increase in operating expenses.

**Net profit Group share** rose 57.3% to €3.3m despite the €1.0m capital loss and associated costs arising from the sale of GUEPPE CLASQUIN (€0.2m net) on 28 December 2015.

**All of these results confirm the guidance drawn up at the beginning of 2015.**

| CONSOLIDATED | 2015 | % GP | 2014 restated[2] | % GP | Change | 2014 published[3] | % GP |
|---|---|---|---|---|---|---|---|
| **Number of shipments**[1] | **207,931** | | **171,300** | | ***+21.4%*** | **171,300** | |
| Sales (€m)[4] | 234.2 | | 201.7 | | *+16.1%* | 211.5 | |
| **Gross profit (€m)** | **55.6** | **100.0%** | **43.6** | **100.0%** | ***+27.5%*** | **50.4** | **100.0%** |
| **Current operating income (€m)** | **6.7** | **12.0%** | **3.1** | **7.2%** | ***+113.2%*** | **4.3** | **8.6%** |
| Profit from continuing operations | 4.2 | 7.6% | 1.8 | 4.1% | *+136.7%* | 2.5 | 4.9% |
| Profit from discontinued operations | (0.2) | | 0.7 | | | | |
| CONSOLIDATED NET PROFIT (€M) | 4.0 | 7.2% | 2.5 | 5.7% | *+60.1%* | 2.5 | 4.9% |
| NET PROFIT GROUP SHARE (€M) | 3.3 | 6.0% | 2.1 | 4.9% | *57.3%* | 2.1 | 4.2% |

(1) Published figures excluding the subsidiary GUEPPE-CLASQUIN (70% held) specialising in road haulage, chartering and logistics, which was sold on 28 December 2015.
(2) The "2014 restated" column corresponds to the 2014 financial statements excluding the impact of discontinued operations (GUEPPE CLASQUIN).
(3) The "2014 published" column corresponds to the published financial statements for the year ended 31/12/2014.
(4) Note: Sales are not a relevant indicator for assessing business growth, as they are greatly impacted by changing sea and air freight rates, fuel surcharges, exchange rates (especially against the USD), etc. Relevant indicators include variations in the number of shipments, volumes shipped and, in terms of the Group's finances, gross profit.

## 2015 highlights

**LCI acquisition**

On 31 March 2015, CLASQUIN acquired an 80% equity stake in FINANCIERE LCI (which itself owns the entire share capital of LCI-CLASQUIN (formerly LCI INTERNATIONAL)).

LCI CLASQUIN is specialised in freight forwarding between France, North Africa and Turkey. LCI-CLASQUIN has three locations in France and three subsidiaries and holdings in Tunisia.

This transaction increased earnings per share and profits as from this year.

**Sale of Gueppe-Clasquin**

On 28 December 2015, CLASQUIN sold GUEPPE CLASQUIN to the ALAINE Group, which provides transport, logistics and freight forwarding services and whose registered office is located in Mâcon (France).

This sale falls under the CLASQUIN GROUP's strategy to focus on its core business and generate cash in order to finance external growth.

**Long term development strategy**

- unique market position: the only medium-sized multinational in the overseas sector,
- management stability, given that most directors hold Company shares,
- an exceptional workforce of expert and committed teams,
- a diversified and prestigious client portfolio testifying to the quality of our solutions,
- an integrated network of offices across five continents with a solid foothold in Asia,
- an extremely healthy financial position,
- a proven business model,

are the fundamentals underpinning our development strategy focused on a two-fold objective: growth and profit.

At the geographical level, our strategy is founded on our three pillars: North America, Western Europe and Asia, without ruling out developments in attractive regions such as the Middle-East.

Lastly, we will continue to look into acquisition opportunities in Europe and North America.

**A financial position that remains very healthy after the LCI acquisition**

| | 2015 | 2014 | 2013 |
|---|---|---|---|
| Shareholders' equity (€m) | 23.8 | 23.3 | 22.2 |
| Net debt (€m) | 5.2 | 0.7 | (0.1) |
| Gearing ratio | 22.1% | 3.1% | -0.5% |

| | 2015 | 2014 | 2013 |
|---|---|---|---|
| **Operating cash flow (€m)** | 7.8 | 4.7 | 4.4 |
| % of gross profit | 14.0% | 9.3% | 9.4% |

## 2. CLASQUIN SA AND ITS SUBSIDIARIES

Sales for CLASQUIN SA, the Group's parent company and also the company combining all the operations in France, increased by 0.3% to €124.5m from €124.1m in 2014.

| IN €K | 2015 2015 | 2015 gross profit | 2015/2014 growth in gross profit | 2014 current operating income | 2014 current operating income |
|---|---|---|---|---|---|
| CLASQUIN ITALIA | 3,495 | 883 | *+24.5%* | 169 | 102 |
| CLASQUIN ESPAÑA | 4,945 | 985 | *+15.7%* | 75 | 29 |
| LOG SYSTEM | 3,023 | 2,543 | *+0.6%* | 155 | 209 |
| CLASQUIN JAPAN | 10,724 | 1,830 | *-5.2%* | 101 | 146 |
| CLASQUIN KOREA | 4,767 | 998 | *+20.8%* | 86 | 29 |
| CLASQUIN FAR EAST | 21,837 | 4,740 | *+17.4%* | 781 | 458 |
| CLASQUIN SINGAPORE | 2,132 | 509 | *+17%* | 87 | 65 |
| CLASQUIN THAILAND | 3,583 | 634 | *+23.8%* | 90 | 48 |
| CLASQUIN MALAYSIA | 2,157 | 396 | *+56.5%* | 34 | 1 |
| CLASQUIN AUSTRALIA | 2,401 | 466 | *-27.1%* | 25 | (34) |
| CLASQUIN USA | 7,970 | 1,746 | *+4.1%* | 168 | 286 |
| CLASQUIN CANADA | 2,067 | 484 | *+60.3%* | 22 | (4) |
| CLASQUIN VIETNAM | 2,712 | 513 | *+56.4%* | 113 | 70 |
| CLASQUIN GERMANY | 5,482 | 1,313 | *+84.2%* | 184 | 47 |
| CLASQUIN INDIA | 2,693 | 542 | *+52.2%* | 194 | (86) |
| INTERCARGO | 19,064 | 3,348 | *+22%* | 846 | 631 |
| CLASQUIN SILK ROAD | 0 | 0 | *0%* | (2) | (2) |
| CLASQUIN BURKINA FASO | 165 | 38 | *+26.7%* | 16 | (22) |
| ECS US* | 17,485 | 2,709 | *N/A* | (512) | 283 |
| FINANCIÈRE LCI | 0 | 0 | *N/A* | (66) | N/A |

* 3 months trading in 2014.

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

## 1. PRESENTATION OF THE COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The annual and consolidated financial statements for the year ended 31 December 2015 that we are submitting to you for approval were prepared in compliance with the rules of presentation and valuation methods set forth in the regulations in force.

### 1.1 Consolidated financial statements

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

#### 1.1.1 Companies consolidated

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

- FINANCIÈRE LCI SAS,
- LCI-CLASQUIN SAS (formerly LCI INTERNATIONAL),
- LCI TUNISIE SARL,
- LCI TRANSPORT SARL,
- MED TIR SA,
- SCI LACHA.

The FINANCIÈRE GUEPPE CLASQUIN sub-group was sold on 28 December 2015. The following companies were therefore deconsolidated at 31 December:

- FINANCIÈRE GUEPPE CLASQUIN,
- GUEPPE CLASQUIN,
- CHRISTIAN GUEPPE LOCATION.

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

#### 1.1.2 Consolidated results for the year ended 31 December 2015

| IN €K | IFRS accounting standards | | |
|---|---|---|---|
| | 2015 | 2014 restated* | Change |
| Net sales | 234,206 | 201,723 | 16.1% |
| Cost of sales | (178,588) | (158,099) | 13.0% |
| Gross profit | 55,618 | 43,624 | 27.5% |
| Current operating income | 6,689 | 3,139 | 113.2% |
| Income before tax | 6,176 | 2,709 | 118.6% |
| PROFIT FROM CONTINUING OPERATIONS | 4,237 | 1,791 | 136.6% |
| PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS | (254) | 698 | -136.4% |
| GROUP CONSOLIDATED NET PROFIT | 3,983 | 2,489 | 60.1% |
| NET PROFIT GROUP SHARE | 3,346 | 2,128 | 57.3% |

* The “2014 restated” column corresponds to the 2014 financial statements excluding the impact of discontinued operations (GUEPPE CLASQUIN).

Consolidated results for the year included net profit Group share of €3,346k compared to €2,128k for the previous financial year, i.e. an increase of 57.3%. As at 31 December 2015 after net profit for the year, shareholders' equity Group share amounted to €21,713k, minority interests €2,083k and share capital €4,613k.

2015 net sales came to €234,206k compared to €201,723k (restated) for the previous year, up 16.1% compared with 6.7% growth in the previous year.

2015 gross profit amounted to €55,618k compared to €43,624k (restated) for the previous year, up 27.5% compared with growth of 6.3% in the previous year.

Current operating income came in at €6,689k compared to €3,139k (restated) for the previous year, up 113.2%. Non-recurring items amounted to a net expense of €400k compared to an €81k net expense in the previous year.

Group consolidated net profit showed profits of €3,983k, the Group share amounting to €3,346k.

### 1.2 Company financial statements

The Company financial statements for CLASQUIN SA for the year ended 31 December 2015 showed a profit of €1,027,783, the main components of which are as follows:

| € | 2015 | 2014 | Change |
|---|---|---|---|
| Net sales | 124,559,858 | 124,148,098 | +0.3% |
| Operating income | 125,977,068 | 125,292,568 | +0.6% |
| Operating expenses | 124,103,678 | 124,320,136 | -0.2% |
| EBIT | 1,873,390 | 972,432 | +92.7% |
| Financial income | 2,476,019 | 2,843,951 | -12.9% |
| Financial expenses | (528,282) | (438,893) | +20.4% |
| Net financial income | 1,947,737 | 2,405,058 | -19.1% |
| Pre-tax operating earnings | 3,821,127 | 3,377,490 | +13.4% |
| Non-recurring income | 4,701,366 | 16,375 | +28,610.0% |
| Non-recurring expenses | 6,261,140 | (68,993) | +8,975.0% |
| Net non-recurring expenses | (1,559,774) | (52,618) | +2,864.0% |
| Employee incentive and profit-sharing scheme | (1,126,382) | (872,900) | +29.0% |
| Income tax | (107,388) | (93,033) | +15.2% |
| NET PROFIT | 1,027,783 | 2,358,938 | -56.4% |

2015 net sales amounted to €124,559,858 vs €124,148,098 for the previous year.

Total operating income came to €125,977,068 and total operating charges came to €124,103,678, thus yielding EBIT of €1,873,390, compared to EBIT of €972,432 for the previous year.

Total financial income amounted to €2,476,019 and total financial expenses came to €528,282, resulting in net financial income of €1,947,737 compared to €2,405,058 for the previous year.

Pre-tax operating earnings thus came to €3,821,127 compared to €3,377,490 for the previous year.

Total non-recurring income amounted to €4,701,366 and total non-recurring expenses came to €6,261,140, resulting in net non-recurring expenses of 1,559,774 compared to €52,618 for the previous year.

The Company financial statements for the year showed a net profit of €1,027,783 compared to a net profit of €2,358,938 for the previous year.

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

### 1.3 Application of IFRS

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

## 2. FINANCIAL ANALYSIS OF RISKS

### 2.1 Financial risk management

#### 2.1.1 Liquidity risk management

CLASQUIN GROUP investments are primarily in transport equipment (GUEPPE CLASQUIN, which was sold on 28 December 2015), IT equipment (hardware and software) and fixtures and fittings. Since 31 March 2015, CLASQUIN GROUP has held:

- 80% of Financière LCI, which itself acquired the entire share capital of LCI-CLASQUIN (formerly LCI International), specialised in freight forwarding between France, North Africa, Turkey and Bulgaria.

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

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

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

No CLASQUIN GROUP loans are subject to bank covenants.

#### 2.1.2 Interest rate risk

Loans taken out by CLASQUIN GROUP can be arranged at a fixed or variable rate of interest (see table in paragraph 11.2, chapter "E.IV - Explanation of the balance sheet and income statements and changes thereto" of the consolidated financial statements).

Depending on changes in market rates, the CLASQUIN GROUP can implement rate hedging at any time and at its own initiative.

#### 2.1.3 Inflation risk

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

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

### 2.1.4 Currency impact on performance indicators

CLASQUIN GROUP is an international company comprising 31 companies at 31 December 2015, with 55 branches located in Europe, North America, Asia, the Pacific region and Africa. The strategy relies upon continuous development of its activities in the international segment.

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

### 2.1.5 Currency risk

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

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

With the CLASQUIN GROUP having an international activity, foreign exchange fluctuations may have a negative impact on the result of its subsidiaries situated outside the euro zone which are insufficiently hedged or not hedged at all considering their import and/or export flows, and thus on the financial situation and the results of the CLASQUIN GROUP.

## 2.2 Risks arising from variations in the share price

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

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

# C. CLASQUIN SA client and supplier payment terms

Breakdown of euro-denominated trade payables and receivables by due date as at 31 December 2014 and 2015.

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

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

### *Trade receivables as at 31/12/2014 by due date*

| € | 0-30 days | 31-60 days | 61-90 days | over 90 days | Total amount due |
|---|---|---|---|---|---|
| Balance due as at 31/12/2014 | 33,065,377 | 9,234,293 | (82,139) | 2,947,128 | 45,164,659 |

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

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

### *Trade payables as at 31/12/2014 by due date*

| € | 0-30 days | 31-60 days | 61-90 days | over 90 days | Total amount due |
|---|---|---|---|---|---|
| Balance due as at 31/12/2014 | 30,650,192 | 1,613,970 | 73,191 | 508,814 | 31,828,539 |

# D. Research and development

CLASQUIN GROUP invested €839k on R&D in 2015, 4.1% of CLASQUIN SA gross profit.

In order to optimise the CLASQUIN GROUP's efficiency, an integrated IT management system was developed in-house.

This system is deployed in all subsidiaries, with the exception of EXPRESS CONSOLIDATION SYSTEMS Corp., a 2014 acquisition, where the system has not yet been introduced.

## E. Material post balance sheet events

No material events have occurred since the balance sheet date, 31 December 2015.

## F. Foreseeable changes in the position of the group of consolidated companies and future outlook

### New 2016 governance

**Hugues Morin** (46) is promoted to **Group Executive Vice President** and becomes the Group's second in command. Hugues has spent his entire career at Clasquin. After spells in Sydney, Osaka and Tokyo, in 2002 he returned to France to become Regional Director for Lyon and South-East France, before being promoted to Managing Director Clasquin France in 2007. Until recently he managed France, Italy and Germany. He now assumes responsibility for the Group's entire front office functions (operations and sales), replacing Alain Dumoulin who has retired. He is a member of the Executive Committee and Board of Directors.

**Quentin Lacoste** (46), a graduate of EPSCI (Essec Group) and holder of an MBA from Stirling University (Scotland), joined the Group in October 2015 as **Group COO** responsible for North Europe, North America, South-East Asia, India and Australia reporting to Hugues Morin. Quentin spent 20 years at Röhlig, a German logistics provider, first in Australia, then as Financial Controller in Germany, prior to being appointed as one of the directors of the French subsidiary. He spent the last 12 years in Germany, including 10 years as a member of the Global Executive Board, responsible for a dozen subsidiaries throughout the world, including Germany, as well as for air and sea freight procurement and product development. He is a member of the Executive Committee.

**Laurence Ilhe** (44), an ESSEC graduate, joined the Group on 25 January 2016 as **Group General Secretary,** replacing Yves Barnoud who left the company at the end of April 2015.
Laurence started her career as an auditor at Ernst & Young before working successively for JC Decaux, Dell Computer then SFR Mobile. She then spent 10 years with Danone where she became Financial Control Director of one of the divisions. In 2012 she joined Akka Technologies as CFO France and took command of all back office functions.
As the Clasquin Group's General Secretary, she leads and coordinates all support services (Legal, Finance, IT, Human Resources and non-business Purchasing).
She is a member of the Executive Committee.

**This new team will undoubtedly drive the Group to grow faster and perform better.**

### Development projects

In early 2016, the Group purchased a small New York-based "customs" operation (GP: €0.4m) via Secure, a US subsidiary.

In January, Clasquin India opened a new office in Bangalore which becomes the Group's fourth location in the country.

Other development projects are expected to take shape over the coming months.

**2016 MARKET OUTLOOK:** Growth estimated at around 2%.

**2016 CLASQUIN OUTLOOK:** Business growth expected to outperform market growth.

Dirk
CLASQUIN Frankfurt

## G. Earnings appropriation

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

We would like to propose total dividends for the year ended 31 December 2015 amounting to approximately 86.2% of consolidated net profit Group share, which amounted to €3,346,457.

We therefore recommend that you appropriate CLASQUIN SA's net profit for the year amounting to €1,027,783.29 as follows:

– Dividend distribution: €2,883,001.25

Drawn from net profit for the year, amounting to €1,027,783.29,

With the balance of €1,855,217.96 taken from 'Other reserves'.

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

Each shareholder will thus receive a dividend of €1.25 per share.

This dividend will be paid on 15 June 2016.

We note that, in principle (except notably dividends relating to securities held in a share savings plan), dividends are subject to income tax according to a progressive scale, where applicable after applying the 40% allowance specified by Article 158, 3.2 of the French General Tax Code. We also note that Article 9 of the French 2013 Finance Act abolished the flat-rate withholding tax and, for dividends and similar distributions paid from 1 January 2013, created a mandatory non-flat-rate tax of 21% of the gross dividend sum.

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

| FINANCIAL YEAR | Dividend distribution per share |
|---|---|
| 2014 | €0.80 |
| 2013 | €0.80 |
| 2012 | €0.75 |

## H. Non tax deductible expenditure

In accordance with the provisions of Article 223 quater and quinquies of the French General Tax Code, we hereby inform you that the 2015 financial statements include €115,766 in respect of non tax deductible expenses, and that corporate tax paid on this amount at the base rate came to €38,585.

## I. 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 2015, the Company acquired new equity investments or increased its equity interest and voting rights in companies having their head office in France, as stated below:

- 80% equity stake in FINANCIÈRE LCI, which on 31 March 2015 purchased the entire share capital of LCI CLASQUIN (formally LCI INTERNATIONAL).

In 2015, the Company sold its 70% equity interest in FINANCIÈRE GUEPPE CLASQUIN, parent company holding the entire share capital of GUEPPE CLASQUIN and CG LOC.

During 2015, the Company neither acquired new equity investments nor increased its equity interest and voting rights in companies having their head office outside France. EXPEDITED CONTAINER SERVICE INC., Canadian subsidiary of EXPRESS CONSOLIDATION SYSTEMS CORP., was wound up on 30 November 2015.

## J. Controlled companies

As at 31 December 2015, the Company controlled the following companies directly or indirectly:

***Directly:***

| COMPANY | % control | % equity interest |
|---|---|---|
| LOG SYSTEM | 100% | 70% |
| CLASQUIN ITALIA | 100% | 100% |
| CLASQUIN ESPAÑA | 100% | 100% |
| CLASQUIN USA | 100% | 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 | 100% | 100% |
| CLASQUIN VIETNAM | 100% | 51% |
| CLASQUIN GERMANY | 100% | 100% |
| CLASQUIN INDIA | 100% | 100% |
| CLASQUIN SILK ROAD | 100% | 51% |
| CLASQUIN BURKINA FASO | 100% | 100% |
| INTERCARGO | 100% | 100% |
| EXPRESS CONSOLIDATION SYSTEMS Corp. | 100% | 80% |
| FINANCIÈRE LCI | 100% | 80% |

***Indirectly:***

| COMPANY | % control | % equity interest |
|---|---|---|
| **SECURE CUSTOMS BROKERS** (CLASQUIN USA SUBSIDIARY) | 100.00% | 80.00% |
| **CLASQUIN SHANGHAI** (CLASQUIN FAR EAST SUBSIDIARY) | 100.00% | 100.00% |
| **EUPHROSINE** (CLASQUIN FAR EAST SUBSIDIARY) | 100.00% | 69.00% |
| **CLASQUIN GEORGIA** (CLASQUIN SILK ROAD SUBSIDIARY) | 100.00% | 51.00% |
| **ECS (Barbados) Limited** (EXPRESS CONSOLIDATION SYSTEMS CORP. SUBSIDIARY) | 100.00% | 80.00% |
| **LCI-CLASQUIN** (FINANCIÈRE LCI SUBSIDIARY) | 100.00% | 80.00% |
| **LCI Tunisie** (LCI-CLASQUIN SUBSIDIARY) | 100.00% | 79.92% |
| **LCI Transport (TUNISIA)** (45%-OWNED SUBSIDIARY OF LCI-CLASQUIN) | 45.00% | 36.00% |
| **Med-Tir (TUNISIA)** (48.25%-OWNED SUBSIDIARY OF LCI-CLASQUIN) | 48.25% | 38.60% |
| **SCI Lacha** (50%-OWNED SUBSIDIARY OF LCI-CLASQUIN) | 50.00% | 40.00% |

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

The statutory auditors will read their report, which refers to agreements duly authorised by the Board of Directors in 2015 and agreements signed in previous years that continued during the year ended 31 December 2015.

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

## L. Reappointment of Board members whose term of office is due to expire

Given that the terms of office of OLYMP and Mr Hugues Morin as Board members expire following this general meeting, we recommend that you reappoint them for a further six-year term until the general meeting called to approve the financial statements for the year ending 31 December 2021.

## M. Statutory auditor appointments

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

## N. Recommended allocation of directors' fees

We recommend allocating the Board of Directors total directors' fees of €23,000 for 2016.

## O. Authorisation granted to the Company to buy back its shares on the market

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

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

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

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

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

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

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

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

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

The authorisation will be valid with effect from the date on which the Annual General Meeting approves the 2015 financial statements and until the date of the next Annual General Meeting called to approve the financial statements, within the statutory limit of eighteen (18) months.

If you adopt this resolution, the Board of Directors will issue an annual report on the use of this authorisation.

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

## P. Authorisation to allocate existing or new bonus shares to Group employees and executive officers

We propose that you authorise the Board of Directors, for a period of thirty-eight (38) months with effect from this Annual General Meeting, to make bonus allocations of existing Company shares or of new Company shares to be issued via capital increases, on one or more occasions and at its sole discretion, to employees and executive officers of the Company and entities related to the Company within the meaning of Article L.225-197-2 of the French Commercial Code, or to specific categories of employees or executive officers.

Accordingly, we propose that full powers be delegated to the Board of Directors to allocate bonus shares under the following terms and conditions, namely that you:

- resolve that the total number of shares allocated as bonus shares pursuant to this authorisation shall not exceed four per cent (4%) of the total shares making up the Company's share capital on the allocation date, plus, where applicable, the par value of any additional new shares issued to safeguard the interests of the beneficiaries during the vesting period or of the shareholders in the event of a lock-in period,
- resolve that the shares allocated will only be vested to their beneficiaries after a period to be determined by the Board of Directors, which shall under no circumstances be less than two (2) years,
- resolve that the Board of Directors shall be entitled to extend the vesting period and/or determine a lock-in period, where the total duration of the share vesting period plus, where applicable, the lock-in period shall not be less than two years,
- resolve that the vesting period shall end prematurely if the beneficiary becomes disabled to an extent corresponding to classification in the second or third of the categories specified in Article L.341-4 of the French Social Security Code,
- resolve that in the event of the beneficiary's death, their shares shall be vested pursuant to the provisions of Article L.225-197-3 of the French Commercial Code,
- resolve that the Board of Directors may provide that the shares vested pursuant to this authorisation must be held in registered form for a length of time to be determined by the Board of Directors,
- note that, for new shares to be issued, this authorisation will involve, at the end of the vesting period, increasing the share capital by capitalisation of reserves, profits or additional paid-in capital in favour of the recipients of the said shares and note that this resolution results in the automatic waiver by the shareholders, in favour of the recipients of the bonus shares, of the portion of reserves, profits or additional paid-in capital that would thus be incorporated into the share capital as well as their preferential subscription rights,
- authorise the Board of Directors to make any necessary adjustments to the number of shares involved in any equity transactions executed during the vesting period in order to maintain the beneficiaries' rights,
- delegate to the Board of Directors all powers required for the exercise of this authorisation, including the power to determine the identity of the beneficiaries and the number of shares allocated to each one and to set the terms and conditions and, where applicable, the criteria for allocating the shares and, more generally, to do all that is necessary for the purposes of implementing this authorisation and its consequences.

The Annual General Meeting, for a period of thirty-eight (38) months, would delegate full powers to the Board of Directors, acting in accordance with the aforementioned terms and conditions, in the event of an allocation of new shares to be issued, to set the amount of reserv es, profits or additional paid-in capital to be incorporated into the share capital, to record the consequent capital increase(s) carried out, to amend the articles of association accordingly and, more generally, to do all that is necessary for the purposes of implementing this authorisation and its consequences.

## Q. Resolution to be adopted pursuant to the law on employee savings schemes

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

– upon each decision to increase the share capital via cash contributions, save any statutory exceptions,

– during the third calendar year following the previous Annual General Meeting having taken a decision concerning a plan to increase the capital reserved for employees when employee profit-sharing is less than 3%.

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

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

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

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

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

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

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

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

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

## R. Stock options - Bonus share allocations

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

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

Vincent
CLASQUIN New York

Catherine
CLASQUIN Lyon

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

In application of the provisions of Article L.225-211 (2) of the French Commercial Code and pursuant to the authorisation granted by the Combined Annual General Meeting of 8 June 2015, we hereby inform you that the Company carried out the following transactions during the financial year ended 31 December 2015:

| | |
|---|---|
| – number of shares purchased during the financial year: | 28,058 |
| – number of shares sold during the financial year: | 31,331 |
| – average purchase price: | €29.88 |
| – average sale price: | €29.03 |
| – transaction costs: | Nil |
| – number of shares registered in the Company's name as at 31 December 2015: | 2,656 |
| – estimated purchase cost of shares: | €91,632 |
| – share par value: | €2 |
| – proportion of share capital they represent: | 0.11% |

Information on the execution of share purchase transactions per objective set in the share buyback programme decided by the Combined Annual General Meeting of 8 June 2015:

| OBJECTIVES | Number of shares acquired | Average purchase price (€) | Number of shares sold | Potential reallocations |
|---|---|---|---|---|
| Liquidity contract | 28.058 | €29.88 | 31.331 | N/A |

For information, at 2 January 2015 CLASQUIN shares traded at €21.0 and at 31 December 2015 traded at €34.5.

## T. Information relating to share capital and voting rights

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

**– Identity of shareholders, at the end of the financial year, directly or indirectly holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% and 95% of the Company share capital or voting rights:**

- OLYMP held 42.37% of share capital and 55.03% of voting rights,
- Mr Yves REVOL held 4.64% of share capital and 6.04% of voting rights,
- AMIRAL GESTION exceeded the 5% of share capital threshold (letter dated 4 August 2015) and then the 7.5% threshold (letter dated 29 October 2015).

**– Breakdown of share capital and voting rights, in view of threshold crossing disclosures made to the Company between the dates of the previous report and the current report:**

- ZENLOR fell below the threshold of 5% of the share capital (letter dated 9 June 2015),
- AMIRAL GESTION exceeded the 5% of share capital threshold (letter dated 4 August 2015) and then the 7.5% threshold (letter dated 29 October 2015).

## U. Share transactions carried out by directors or closely related persons

Pursuant to statutory and regulatory provisions, below you will find a summary statement of the transactions performed on Company shares during 2015 by directors and persons closely related to them. This statement has been produced from the information we have received:

| | |
|---|---|
| – Number of shares sold: | 37,907 |
| – Number of shares purchased: | 25,044 |
| – Number of shares subscribed: | 0 |
| – Number of shares exchanged: | 0 |

## V. Company employee share ownership

In accordance with the provisions of Article L.225-102 of the French Commercial Code, we hereby provide information on the situation concerning the employee share ownership scheme at year-end and the proportion of share capital represented, as at 31 December 2015, by the shares held by Company employees and by employees of affiliated companies, as defined in Article L.225-180 of the French Commercial Code, within the framework of a company savings plan and an employee investment fund.

As at 31 December 2015, the CLASQUIN PERFORMANCES investment fund held 2.95% of the Company's share capital.

Joseph
CLASQUIN Shanghai

Delphine
CLASQUIN Barcelona

Lamine
CLASQUIN Marseille

# W. Information concerning directors and officers

## 1. LIST OF OFFICES AND POSITIONS HELD

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

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

Chairman of OLYMP
Chairman of the FINANCIÈRE GUEPPE CLASQUIN Supervisory Board
Chairman of CLASQUIN FAR EAST
Board member of CLASQUIN JAPAN
Chairman of CLASQUIN SINGAPORE
Chairman of CLASQUIN MALAYSIA
Chairman of CLASQUIN AUSTRALIA
Chairman of CLASQUIN CANADA
Chairman of CLASQUIN USA
Chairman of CLASQUIN SECURE CUSTOMS BROKERS
Chairman of CLASQUIN THAILAND
Chairman of CLASQUIN VIETNAM
Chairman of CLASQUIN SHANGHAI
Chairman of CLASQUIN KOREA
Sole Board member of CLASQUIN ESPAÑA
Board member of EUPHROSINE
Chairman of CLASQUIN SILK ROAD
Board member of CLASQUIN INDIA
Board member of INTERCARGO
Chairman of EXPRESS CONSOLIDATION SYSTEMS Corp.
Chairman and member of the FINANCIÈRE LCI Supervisory Board
Joint managing director of CLASQUIN BURKINA
Chairman of LYMAGE
Managing director of SCI DE LA LOUVE
Managing director of SCI APHRODITE
Managing director of SCI HERA
Managing director of SCI MAIALYS
Managing director of SCI CALLIOPE

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

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

### *Positions held by OLYMP, Board member, represented by Mr Philippe Le Bihan*

Nil

### *Positions held by Mr Philippe Le Bihan, Permanent Representative of OLYMP*

Managing director of LOG SYSTEM

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

Chairman of CLASQUIN ITALIA
Member of the FINANCIÈRE LCI Supervisory Board
Board member of CLASQUIN MALAYSIA
Board member of CLASQUIN INDIA
Board member of CLASQUIN SINGAPORE
Joint managing director of CLASQUIN BURKINA

### *Positions held by Ms Claire Mialaret, Board member since 5 June 2014*

Nil

### *Positions held by Mr Christian Ahrens, Board member since 8 June 2015*

Nil

### 2. DURATION OF BOARD MEMBER APPOINTMENTS

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

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

**OLYMP** was reappointed as Board member by the Annual General Meeting on 22 June 2010; its term of office will expire at the end of this Annual General Meeting.

**Mr Hugues MORIN** was appointed as Board member by the Annual General Meeting on 22 June 2010; his term of office will expire at the end of this Annual General Meeting. He was reappointed as Deputy Managing Director by the Board of Directors on 8 June 2015 for the duration of the Chief Executive Officer's term of office.

**Ms Claire MIALARET** was appointed as Board member by the Annual General Meeting on 5 June 2014; her mandate will expire at the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2019.

**Mr Christian AHRENS** was reappointed as Board member by the General Meeting on 8 June 2015; his term of office will expire at the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2020.

## X. Board of Directors report on authorisations for capital increases

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

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

## Y. Audit by the statutory auditors

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

- the Company financial statements,
- the consolidated financial statements,
- agreements specified under Articles L.225-38 et seq. of the French Commercial Code,
- cancellation of shares purchased by the Company under its share buyback programme,
- authorisation granted to the Board of Directors to allocate existing or new bonus shares,
- waiving shareholder preferential subscription rights in favour of employees of the Company and the companies belonging to its Group as defined by Article L.225-180 of the French Commercial Code.

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

The Board of Directors.

# Note 1

## Statement of financial results for the last five years

| (in €k) | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| **CAPITAL AT YEAR-END** | | | | | |
| Share capital | 4,612,802 | 4,612,802 | 4,612,802 | 4,612,802 | 4,612,802 |
| Number of ordinary shares | 2,306,401 | 2,306,401 | 2,306,401 | 2,306,401 | 2,306,401 |
| Number of priority dividend shares | | | | | |
| Maximum number of new shares to be issued: | | | | | |
| - by converting bonds | | | | | |
| - through subscription rights | | | | | |
| **OPERATIONS AND RESULTS** | | | | | |
| Sales (excl. VAT) | 105,199,745.59 | 111,005,525.03 | 112,281,553.27 | 124,148,098.01 | 124,559,858 |
| Profit before tax, profit sharing, amortisation, depreciation and provisions | 6,838,381.17 | 5,125,025.95 | 4,252,783.17 | 4,451,469.15 | 2,639,851.51 |
| Income tax | 781,706.00 | 197,182.00 | 172,878.00 | 93,033.33 | 107,188.00 |
| Employee incentive and profit-sharing scheme | 1,126,557.17 | 921,079.95 | 962,744.00 | 872,900.00 | 1,126,382.00 |
| Profit after tax, profit sharing, amortisation, depreciation and provisions | 4,244,989.06 | 2,919,311.62 | 1,872,099.69 | 2,358,838.37 | 1,027,783.29 |
| Earnings distributed | 1,729,800.00 | 1,729,800.00 | 1,843,414.00 | 1,843,314.00 | |
| **EARNINGS PER SHARE** | | | | | |
| Profit after tax and profit sharing, before amortisation, depreciation and provisions | 2.14 | 1.74 | 1.84 | 1.55 | |
| Profit after tax, profit sharing, amortisation, depreciation and provisions | 1.84 | 1.27 | 0.81 | 1.02 | |
| Allocated dividend | 0.75 | 0.75 | 0.80 | 0.80 | |
| **STAFF** | | | | | |
| Average number of employees | 190 | 197 | 206 | 216 | 237 |
| Wages | 7,443,704.95 | 7,891,105.63 | 8,177,112.70 | 9,361,221.46 | 9,851,390.04 |
| Employee welfare expenses (social security, charities) | 3,477,405.22 | 3,709,735.00 | 3,596,723.00 | 4,068,117.82 | 4,305,000.91 |

# Note 2

## Subsidiaries and holdings

| SUBSIDIARIES AND HOLDINGS (over 50% equity interest) (€) | Share capital (excl. share premium) | Shareholders' equity at 31/12/2015 | Equity interest (%) | Book value of investment (gross) | Book value of investment (net) | Loans and advances granted by the Company | Guarantees and securities granted by the Company at 31/12/2015 | Sales excl. VAT for the last year | 2015 2015 | Dividends received by the Company during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| CLASQUIN FAR EAST | 96,272 | 4,075,517 | 100% | 128,893 | 128,893 | | 2,208,967[3] | 21,836,890 | 788,865 | 314,889 |
| CLASQUIN AUSTRALIA | 477,281 | 347,374 | 100% | 365,428 | 347,374 | | 147,681 | 2,401,417 | 5,234 | |
| CLASQUIN JAPAN | 92,140 | 578,607 | 100% | 196,746 | 196,746 | | 381,476 | 10,723,598 | (6,948) | 51,187 |
| CLASQUIN KOREA | 202,746 | 357,773 | 100% | 214,493 | 214,493 | | | 4,766,629 | 58,071 | 227,481 |
| CLASQUIN SINGAPORE | 233,468 | 591,611 | 100% | 232,047 | 232,047 | | 152,429 | 2,131,970 | 110,200 | |
| CLASQUIN THAILAND[1] | 162,757 | 264,989 | 49%* | 139,406 | 139,406 | 132,689 | 85,000 | 3,582,908 | 77,777 | |
| CLASQUIN MALAYSIA | 229,021 | 228,502 | 100% | 225,417 | 225,417 | | 63,886 | 2,157,079 | 26,255 | |
| CLASQUIN ESPAÑA | 286,951 | 753,026 | 100% | 453,356 | 453,356 | | | 4,945,028 | 67,285 | |
| CLASQUIN ITALIA | 100,000 | 425,583 | 100% | 945,655 | 425,583 | | 100,000 | 3,494,536 | 143,981 | |
| CLASQUIN USA | 14,994 | 737,172 | 80% | 99,148 | 99,148 | | | 7,970,490 | 92,195 | |
| CLASQUIN CANADA | 195,298 | 68,601 | 100% | 179,990 | 68,601 | | | 2,067,128 | 13,877 | |
| LOG SYSTEM | 7,622 | 580,265 | 70% | 88,039 | 88,039 | | | 3,022,993 | 102,390 | 70,000 |
| CLASQUIN VIETNAM | 68,840 | 169,045 | 51% | 38,636 | 38,636 | 75,000 | 101,038 | 2,712,100 | 90,431 | |
| CLASQUIN GERMANY | 200,000 | 875,420 | 100% | 200,000 | 200,000 | 347,838 | 355,000 | 5,481,586 | 147,576 | |
| CLASQUIN INDIA | 882,323 | 533,391 | 100% | 929,293 | 533,391 | | | 2,693,051 | 210,718 | |
| CLASQUIN SILK ROAD[2] | 62,184 | (29,795) | 51% | 31,685 | | 16,101 | | | (2,451) | |
| CLASQUIN BURKINA FASO[2] | 15,245 | (8,273) | 100% | 15,245 | | 28,000 | | 164,915 | 14,247 | |
| INTERCARGO | 90,165 | 1,837,059 | 100% | 2,431,267 | 2,431,267 | | | 19,063,995 | 610,265 | 400,000 |
| FINANCIÈRE LCI | 3,000,000 | 4,849,450 | 80% | 2,400,000 | 2,400,000 | 2,100,000 | | | 1,849,450 | |
| ECS | 94,169 | 497,099 | 80% | 1,666,097 | 1,666,097 | | 459,263 | 17,485,295 | (309,297) | |

(1) CLASQUIN THAILAND is 49% directly held and 100% controlled.
(2) In the case of CLASQUIN SILK ROAD and BURKINA FASO, given that the Group share of shareholders' equity is negative (-€15,195 and -€8,273 respectively), the shares have been written off and an additional impairment charge recognised as a provision for financial risks and contingencies.
(3) Including a €1,233,571 guarantee for CLASQUIN SHANGHAI.

# Note 3

## Board of Directors report on authorisations for capital increases

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

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

**The 5 June 2014 Combined General Meeting:**

- authorised the Board of Directors, for a twenty-six (26) month term, on one or more occasions and at its sole discretion, to make bonus allocations of its choice, either of existing shares in the Company originating from previous purchases or new shares issued via a capital increase, to any or all employees of foreign companies related to the Company pursuant to the provisions of part 1 of Article L.225-197-2 I of the French Commercial Code, where the total number of new and existing shares resulting from this authorisation to allocate bonus shares may not exceed one per cent (1%) of the total shares making up the Company's share capital on the allocation date,
- authorised the Board of Directors, for a twenty-six (26) month term, to carry out share capital increases at its sole discretion, subject to a maximum par value increase of €300,000, without preferential subscription rights, in favour of persons belonging to a company savings plan in the form of an employee investment fund (or any other plan through which, under Articles L.3332-18 et seq. of the French Labour Code, a capital increase may be reserved for employees under equivalent conditions) of the Company and the companies belonging to its Group, as defined in Article L. 225-180 of the French Commercial Code.

**The 8 June 2015 Combined General Meeting:**

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

**– Exercise of the aforementioned authorisation during the year:**

Nil.

# II. Text of resolutions

## Resolutions proposed at the Combined Annual General Meeting of 7 June 2016

### A. ORDINARY RESOLUTIONS

**First resolution** *(Approval of 2015 Company financial statements)*

Following the presentation of the Board of Directors report and the reading of the statutory auditors' general report on the Company financial statements for the year ended 31 December 2015, the Annual General Meeting approves the Company financial statements as presented as well as the transactions reported in these statements or summarised in the reports.

The Annual General Meeting also approves the total amount for expenses and charges not deductible from profits subject to income tax, amounting to €115,766, as well as the tax borne under the aforementioned expenses and charges amounting to €38,585.

**Second resolution** *(Final discharge of Board members)*

The Annual General Meeting discharges the Board members from their responsibilities for the financial year ended 31 December 2015.

**Third resolution** *(2015 earnings appropriation)*

Further to the proposal by the Board of Directors, the Annual General Meeting resolves to allocate the net profit for the year ended 31 December 2015, amounting to €1,027,783.29, as follows:

– Dividend distribution: €2,883,001.25

Drawn from net profit for the year, amounting to €1,027,783.29,

With the balance of €1,855,217.96 taken from 'Other reserves'.

Each shareholder will thus receive a dividend of €1.25 per share.

This dividend will be paid on 15 June 2016.

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

It is recalled that, in principle (except notably dividends relating to securities held in a share savings plan), dividends are subject to income tax according to a progressive scale, where applicable after applying the 40% allowance specified by Article 158, 3.2 of the French General Tax Code. Furthermore, Article 9 of the French 2013 Finance Act abolished the flat-rate withholding tax and, for dividends and similar distributions paid from 1 January 2013, created a mandatory non-flat-rate tax of 21% of the gross dividend sum.

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

| FINANCIAL YEAR | Distributed dividend per share |
|---|---|
| 2014 | €0.80 |
| 2013 | €0.80 |
| 2012 | €0.75 |

**Fourth resolution** *(Approval of the 2015 consolidated financial statements)*

After the presentation of the Board of Directors report including the Group's management report and after the reading of the statutory auditors' general report on the consolidated financial statements for the year ended 31 December 2015, the Annual General Meeting approves the consolidated financial statements as presented, as well as the transactions recorded in these statements and summarised in the reports.

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

After hearing the statutory auditors' special report on the agreements governed by Articles L. 225-38 et seq. of the French Commercial Code, the Annual General Meeting approves the agreements entered into during the financial year ended 31 December 2015 and acknowledges continuing agreements entered into in previous financial years.

**Sixth resolution** *(Reappointment of a Board member)*

The Annual General Meeting, noting that the term of office of OLYMP as Board member expires today, resolves, on the recommendation of the Board of Directors, to reappoint OLYMP for a further six-year term until the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2021.

**Seventh resolution** *(Reappointment of a Board member)*

The Annual General Meeting, noting that the term of office of Mr Hugues Morin as Board member expires today, resolves, on the recommendation of the Board of Directors, to reappoint Mr Hugues Morin for a further six-year term until the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2021.

**Eighth resolution** *(Directors' fees)*

The Annual General Meeting sets the amount of directors' fees to be distributed among the Board members for the year ending 31 December 2016 at €23,000.

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

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

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

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

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

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

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

In case of capital transactions and in particular the capitalisation of reserves, allocation of bonus shares, stock splits or reverse stock splits, the aforementioned prices will be adjusted accordingly.

To this effect, full powers are granted to the Board of Directors, with the option to delegate such powers to the Chief Executive Officer, to place trading orders and conclude any agreements, particularly with regard to maintaining registers of share purchases and sales, make any declarations to the AMF (French Financial Markets Authority) and any other bodies, complete any other formalities and generally do all that is necessary.

This authorisation shall be valid until the next Annual General Meeting called to approve the financial statements, and shall not exceed the statutory period of eighteen months as of today.

Every year, the Board of Directors shall inform the Annual General Meeting of the transactions performed pursuant to this authorisation

## B. EXTRAORDINARY RESOLUTIONS

**Tenth resolution** *(Renewal of authorisation granted to the Board of Directors to reduce share capital by cancelling treasury shares)*

The Annual General Meeting, having considered the Board of Directors report and after reading the statutory auditors' special report, authorises the Board of Directors to:

- cancel treasury shares held by the Company or acquired by it as part of the share buyback programme, up to a limit of 10% of the Company's share capital in any period of twenty-four months,
- reduce share capital by the value of the cancelled shares,
- amend the articles of association accordingly and generally do all that is necessary.

This authorisation is granted for a period of eighteen months with effect from this Annual General Meeting.

**Eleventh resolution** *(Authorisation for the Board of Directors to allocate existing or new shares to Group employees and executive officers)*

The Annual General Meeting, subject to the condition precedent of adopting the 12th resolution and after having read the Board of Directors report and the statutory auditors' special report pursuant to the provisions of Articles L.225-197-1 et seq. of the French Commercial Code:

- authorises the Board of Directors, for a period of thirty-eight (38) months with effect from this Annual General Meeting, on one or more occasions and at its sole discretion, to make bonus allocations of its choice, either of existing Company shares originating from previous purchases or new shares to be issued via a capital increase, to employees and executive officers of the Company or entities related to the Company within the meaning of Article L.225-197-2 of the French Commercial Code, or to specific categories of employees or executive officers,
- resolves that the total number of new and existing shares allocated as bonus shares pursuant to this authorisation shall not exceed four per cent (4%) of the total shares making up the Company's share capital on the allocation date, plus, where applicable, the par value of any additional new shares issued to safeguard the interests of the beneficiaries during the vesting period or of the shareholders in the event of a lock-in period, in accordance with the statutory or contractual provisions,
- resolves that the shares allocated will only be vested to their beneficiaries after a period to be determined by the Board of Directors, which shall under no circumstances be less than two (2) years,
- resolves that the Board of Directors shall be entitled to extend the vesting period and/or determine a lock-in period, where the total duration of the share vesting period plus, where applicable, the lock-in period shall not be less than two years,
- resolves that the vesting period shall end prematurely if the beneficiary becomes disabled to an extent corresponding to classification in the second or third of the categories specified in Article L.341-4 of the French Social Security Code,
- resolves that in the event of the beneficiary's death, their shares shall be vested pursuant to the provisions of Article L.225-197-3 of the French Commercial Code,
- resolves that the Board of Directors may provide that the shares vested pursuant to this authorisation must be held in registered form for a length of time to be determined by the Board of Directors,
- notes that, for new shares to be issued, this authorisation will involve, at the end of the vesting period, increasing the share capital by capitalisation of reserves, profits or additional paid-in capital in favour of the recipients of the said shares and note that this resolution results in the automatic waiver by the shareholders, in favour of the recipients of the bonus shares, of the portion of reserves, profits or additional paid-in capital that would thus be incorporated into the share capital as well as their preferential subscription rights,
- authorises the Board of Directors to make any necessary adjustments to the number of shares involved in any equity transactions executed during the vesting period in order to maintain the beneficiaries' rights,
- grants full powers to the Board of Directors, with the option of further delegation pursuant to the applicable statutory and regulatory provisions, to exercise this authorisation at its sole discretion, including the power to:
  - set the terms and conditions and, where applicable, the criteria for allocating the shares,
  - set the number of bonus shares to be allocated,
  - determine the identity of the beneficiaries subject to the aforementioned limits, set the number of shares allocated to each one and define the procedures applicable to the share allocations, including vesting periods, any lock-in periods and the rules of the bonus share plan,
  - decide whether, in the event of any equity transactions executed during the allocated shares' vesting period, it is necessary to adjust the number of shares allocated in order to maintain the beneficiaries' rights and, if so, to set the terms of such adjustment,
  - and, more generally, to do all that is necessary for the purposes of implementing this authorisation and its consequences.

The Annual General Meeting formally notes that the aforementioned powers render null and void any previous powers granted for the same purpose.

**Twelfth resolution** *(Authorisation to increase the share capital by capitalisation of reserves, profits or additional paid-in capital in the event of an allocation of new bonus shares)*

The Annual General Meeting, subject to the condition precedent of adopting the 11th resolution, after having read the Board of Directors report and the statutory auditors' special report, delegates full powers to the Board of Directors, with effect from today and for a period of thirty-eight (38) months, in the event of an allocation of new shares pursuant to the 11th resolution, to set the amount of reserves, profits or additional paid-in capital to be incorporated into the share capital, to record the consequent capital increase(s) carried out within the statutory time-limit, to amend the articles of association accordingly and, more generally, to do all that is necessary for the purposes of implementing this authorisation and its consequences.

**Thirteenth resolution** *(Authorisation for the Board of Directors to decide on a capital increase reserved for members of savings plans with waiver of the preferential subscription right in favour of such persons)*

The Annual General Meeting, after having read the Board of Directors report and the statutory auditors' special report, and applying the provisions of Article L.225-129-6 of the French Commercial Code, grants the Board of Directors, with effect from today and for a period of twenty-six (26) months, full powers, with the option of delegating these powers to the Chief Executive Officer, to carry out, at its sole discretion, one or more capital increases pursuant to the conditions set forth in Articles L.3332-18 et seq. of the French Labour Code, at such times as it shall decide, for a maximum total par value of three hundred thousand euros (€300,000), reserved for members of a company savings plan in the form of an employee investment fund (or any other plan through which, under Articles L.3332-18 et seq. of the French Labour Code, a capital increase may be reserved for employees under equivalent conditions) of the Company and the companies belonging to its Group, as defined in Article L.225-180 of the French Commercial Code.

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

The Annual General Meeting grants the Board of Directors full powers to implement this authority, and in particular to decide on any capital increases in accordance with the aforementioned conditions, to approve the terms and conditions applicable to such capital increases, and in particular to set the issue price of the shares according to statutory limits and those set out by this Annual General Meeting, to decide upon the opening and closing dates for subscriptions and, generally, to ensure the success of any transactions which are part of the capital increases and to amend the articles of association accordingly.

The Annual General Meeting formally notes that the aforementioned powers render null and void any previous powers granted for the same purpose.

**Fourteenth resolution** *(Waiver of preferential subscription rights in favour of employee members of company savings plans)*

The Annual General Meeting, after having read the Board of Directors report and the statutory auditors' special report, resolves to cancel the shareholders' preferential subscription right to ordinary shares to be issued subject to the authorisation pursuant to the 13th resolution above, in favour of those persons belonging to a company savings plan in the form of an employee investment fund (or any other plan through which, under Articles L.3332-18 et seq. of the French Labour Code, a capital increase may be reserved for employees under equivalent conditions) of the Company and the companies belonging to its Group, as defined in Article L.225-180 of the French Commercial Code.

**Fifteenth resolution** *(Update to Article 23 of the Company's articles of association)*

The Annual General Meeting grants full powers to the bearer of originals, copies or extracts of these minutes, for the purpose of completing all the required formalities for filing these minutes, in addition to any other formalities incumbent upon the bearer.

Photos: Daniela Petrel, CLASQUIN, Annemieke Borras, Shutterstock, Dreamstime, Manon Simonet de Laborie.

# CLASQUIN WORLDWIDE NETWORK

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Bremen
Dusseldorf
Frankfurt
Grenoble
La Creche
Le Havre
Lille
Lyon Head Office
Lyon Airport
Madrid
Marseille
Milan
Mulhouse
Nantes
Paris
Toulouse
Tours
Tunis
Valencia
Villefranche-sur-Saone
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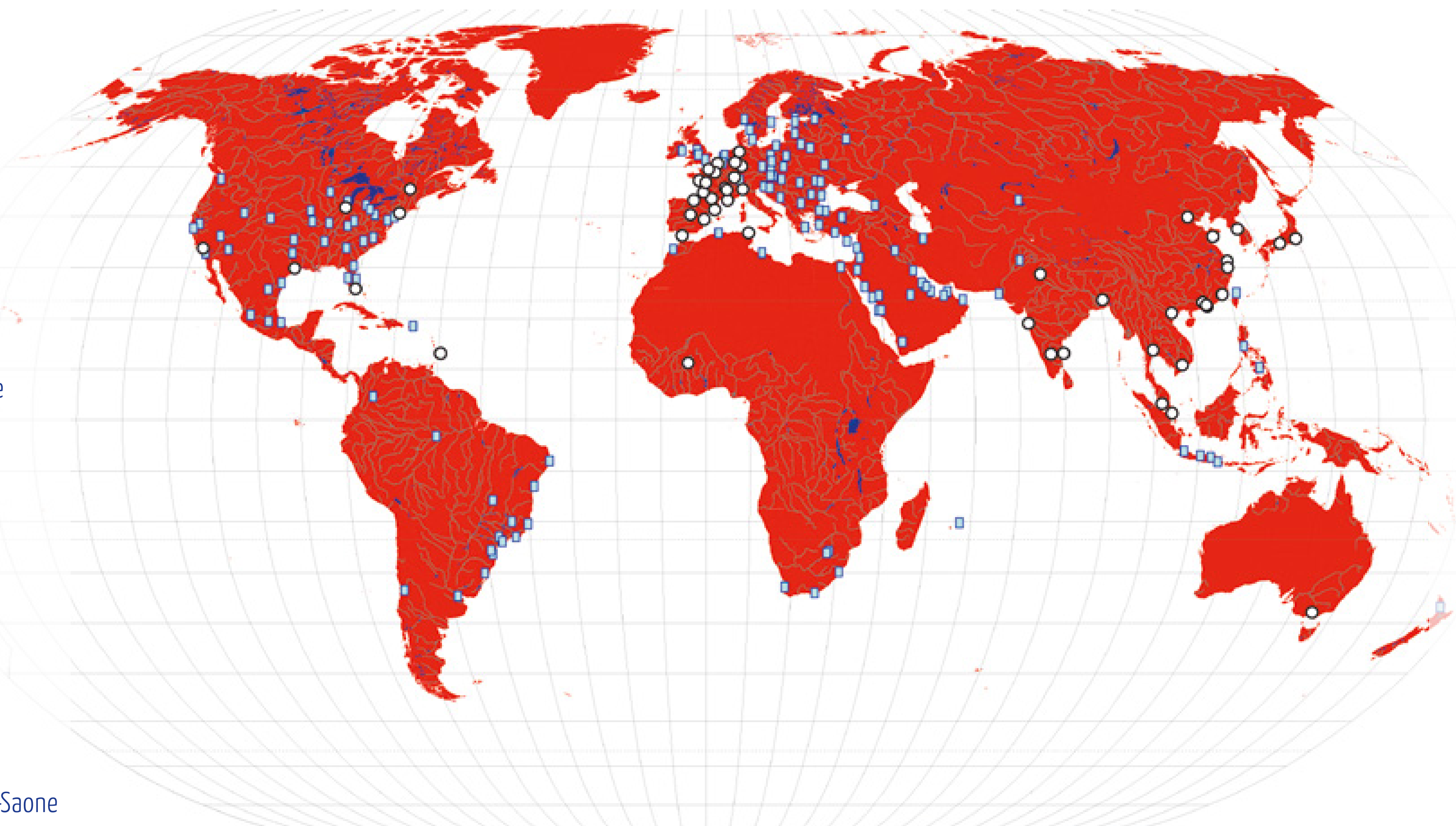

## OVERSEAS OFFICES

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CLASQUIN WORLDWIDE HEADQUARTERS

235, cours Lafayette - 69451 Lyon Cedex 06 - France
Tel. : +33 (0)4 72 83 17 00 - Fax : +33 (0)4 72 83 17 17

www.clasquin.com