

# INNOVATION HAS BEEN ALWAYS A CORE COMPONENT OF ID LOGISTICS' STRATEGY.

Innovation is the keyword that rallies together some 13,000 employees working in 14 different countries. For our customers, innovation means customized architecture, cutting-edge technologies and top-grade operational performances. As a logistics pure player, ID Logistics uses all of its expertise to serve its customers in order to optimize their supply chain in accordance with the principles of sustainable development. Listed on Euronext Paris, in 2014 ID Logistics generated revenues of €874.5 m, evenly balanced between its retail, industry, detail picking logistics and e-commerce business lines.

E874.5 M

IN REVENUES, OF WHICH

43% GENERATED BY

THE INTERNATIONAL

SEGMENT

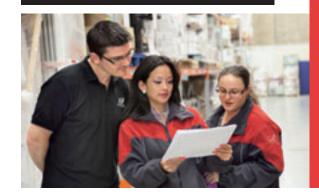
THE INTERNATIONAL

SEGMENT

SEG

# SMART LOGISTICS AT EACH STAGE OF THE SUPPLY CHAIN

WE TAKE CHARGE OF EVERY ASPECT OF OUR CUSTOMER'S SUPPLY CHAIN, DEVELOPING AND IMPLEMENTING A CUSTOMIZED LOGISTICS SOLUTION.



Goods-in, inventory management and order picking are just some of the many services we are able to provide to our customers. Specialized services offered to manufacturing customers include co-packing, delayed differentiation and delivery to distribution centers and end customers. Comprehensive support worldwide.

OVER 50%
OF LOCATIONS
used by customers supported in more than one country.

WE ORGANIZE TRANSPORTATION BY
OPTIMIZING FLOWS WHILST RESPECTING
THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT.



Our customers' transportation operations are organized via monitoring teams. Powerful IT tools, such as our TMS (Transport Management System) software and the web portal, allow us to optimize all of our customers' physical flows while enhancing productivity and traceability without sacrificing the principles of sustainable development.

1.7 MILLION TRANSPORT ORDERS PER YEAR

WE GENERATE ADDED VALUE
BY GUARANTEEING THE RESULTS
OF RETAIL ORDER PICKING
AND DISTRIBUTION.



We guarantee that goods are delivered to stores and end customers in strict compliance with contractual terms and conditions. As part of our retail package, we also provide special services such as goods shelving and return management.

99.9% QUALITY OF SERVICE RATING

WE USE CUTTING-EDGE TECHNOLOGIES
TO SERVE OUR CUSTOMERS, FOCUSING
ON INVENTORY MANAGEMENT AND OPTIMIZATION.



Products shipped by manufacturers are taken in by our staff on behalf of major and specialized retailers. Using innovative technologies, our teams carry out quality controls, management and order picking of goods to be delivered to points of sale and end customers, particularly in connection with e-commerce transactions.

3,600,000 SQM OF WAREHOUSE SPACE MANAGED WORLDWIDE

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OUR RESULTS SHOW TWO THINGS:
OUR ABILITY TO CONTINUE GROWTH
BY SUCCESSFULLY COMPLETING
ACQUISITIONS, AND THE MERITS
OF OUR STRATEGY BASED ON INNOVATION
AND GLOBAL CUSTOMER SUPPORT.

# What are your thoughts on the 2014 financial year?

2014 was a highly intensive year that focused on a number of major challenges. After acquiring CEPL in July 2013, we had to adapt its processes to Group standards, integrate its staff and raise the level of its customers' satisfaction to Group levels. These three tasks were successfully completed. Our aim was also to leverage CEPL's know-how in order to develop our capacities in the areas of detail order picking and e-commerce. This strategy is gathering momentum and has already scored major successes with prestigious customers such as Nespresso, Privalia and Conforama.fr. We managed to acquire new major customers, including Metro and Beirsdorf, in our other business segments. All of these developments resulted in a 19% increase in revenues and a 50% improvement in net income, clear proof of our ability to pursue profitable growth even during the final stages of an acquisition.

#### What are the main aspects of this strategy?

ID Logistics is a pure player, a term given to an expert that provides each customer with a customized, innovative solution from conception through to implementation. Logistics is a discipline of maturity. Customers expect us to inject added value into their supply chains. The way to achieve this is through smart architecture, IT systems and automation. We responded to these requirements in 2014 by creating a special department, establishing a formal methodology and seeking ways of converting technological progress into tangible advantages (see pp. 12–13). This is how we aim to stay ahead of the field in terms of delivering added value to our customers. At the same time, we plan to continue our policy of supporting our customers all over the world.

# Why is this international dimension so important?

Like innovation, the International market is central to the Group's strategy. Whether they operate in the retail, manufacturing or e-commerce sectors, our customers wish to deploy their logistics organization across different countries in the most consistent way possible. Meeting this ever-growing demand was the driving principle behind the foundation of ID Logistics. We guarantee consistent support across a diverse range of different countries. We have now reached a new milestone by extending the strategy development initiative to all countries worldwide. What this means is that our development is no longer driven exclusively from France or Europe, but also by Brazilian or Asian customers to whom we provide support worldwide.

# What are the main challenges for the coming years?

First of all, to continue our growth in the e-commerce sector (see pp. 6–9). This sector has demanding requirements in terms of logistics, and we want to be at the forefront of the action. At the same time, we aim to consolidate our organization and expand our business in countries where we recently set up operations, including Russia, South Africa and Indonesia. Gaining an advance on our business plan, particularly through the accelerated repayment of the CEPL loan, should put us back into the running for new acquisitions.



"WE PROVIDE EVERY CUSTOMER WITH A CUSTOMIZED, INNOVATIVE SOLUTION.

ÉRIC HÉMAR, Chairman and CEO

# **TAILORING GOVERNANCE TO GROUP GROWTH**

ID LOGISTICS HAS ADAPTED ITS ORGANIZATIONAL STRUCTURE TO SUPPORT ITS GROWTH BY APPOINTING THREE EXECUTIVE **VICE PRESIDENTS, EACH ONE RESPONSIBLE** FOR ENSURING CONSISTENT OPERATIONS ACROSS **ALL GROUP COUNTRIES IN THEIR RESPECTIVE** FIELDS. THREE NEW DIRECTORS WITH DIFFERENT **BACKGROUNDS HAVE ALSO BEEN APPOINTED** TO THE BOARD OF DIRECTORS, BRINGING WITH THEM THEIR SPECIFIC EXPERTISE AND KNOW-HOW.

#### BOARD OF DIRECTORS

Composed of representatives of the Group's controlling shareholders as well as a number of independent members, the Board of Directors contributes towards defining, implementing and monitoring the Group's growth strategy, drawing on the diversified and global professional experience of its members.



#### ÉRIC HÉMAR Chairman and Chief Executive Officer

Éric Hémar, a former student of École Nationale d'Administration, began his career at the Cour des Comptes (French government Court of Audit) before joining the French Ministry of Public Works, Transport and Tourism in 1993 as technical advisor to the minister. From 1995 he directed the Geodis group's logistics division. He founded ID Logistics in 2001.



#### MICHEL CLAIR, Independent Director Chairman of the Audit Committee

A former student at the École Nationale d'Administration. Michel Clair was an auditor and then public auditor at the French Court of Audit before holding a variety of positions in several government bodies and ministries. In particular, he was chief of staff for the Minister of Trade, Craft and Services from 1986 to 1988. He was chairman of Klépierre, a subsidiary of BNP Paribas, for over 10 years.



#### CHRISTOPHE SATIN **Managing director**

Christophe Satin is a graduate of ISG business school and began his career at Arthur Andersen. He then worked for a number of industrial groups before joining Geodis. He co-founded ID Logistics in 2001.



#### MURIEL MAYETTE-HOLTZ **Independent Director**

General Manager of the Comédie-Française (National French Theatre) from 2006 until 2014, Muriel Mayette-Holtz is a stage actress and director. She taught at the Conservatoire National Supérieur d'Art Dramatique (French institute of performing arts) from 2000 to 2006.



#### IMMOD represented by MARIE-AUDE HÉMAR, Director

A graduate of IDRAC Paris, Marie-Aude Hémar held a variety of positions at Caisse d'Épargne IDF, including that of internal audit inspector.



#### MICHÈLE CYNA, Independent Director

A graduate of the École Polytechnique, École Nationale des Ponts et Chaussées and MIT, Michèle Cyna is Chairman and Chief Executive Officer of the Burgeap group, having previously served as Director of International Business Development for Veolia Transdev.



#### JESUS HERNANDEZ MUÑOZ **CEO ID Logistics Brazil, Director**

A graduate of Madrid University, Jesus Hernandez Muñoz developed a wide range of international management skills during his career and was CEO for ID Logistics Spain from 2006 to 2015.



#### JACQUES VEYRAT, Independent non-voting Board member

After studying at the École Polytechnique and École des Ponts et Chaussées, Jacques Veyrat began his career with the French Treasury before taking up various positions within ministerial offices. In 1995, he joined the Louis Dreyfus group, where he had various management responsibilities. He founded the IMPALA group in 2011.

#### **EXECUTIVE COMMITTEE**

The Executive Committee implements the strategy defined by the Board of Directors and takes the operational decisions required for the daily management of the Group's business.

The members of the committee are:

#### 1 ÉRIC HÉMAR,

Chairman and Chief Executive Officer

#### 2 CHRISTOPHE SATIN,

Managing director

#### 3 YANN PEROT.

Executive Vice President, Finance: a graduate of EDHEC businessschool, he began his career at Deloitte in France and in the US. He subsequently worked for the Lagardère group and NRJ before joining ID Logistics in 2009.

#### 4 VINCENT FONTAINE,

Executive Vice President, Operations: a graduate of ESC Rouen business school, after a number of other appointments he became Supply Chain Director of Castorama France before joining Flowserve USA as Logistics Director for Europe, the Middle East and Africa. He moved to ID Logistics in 2011.

#### 5 LUDOVIC LAMAUD,

Executive Vice President, Development and Innovation: holding a DESS advanced diploma in pharmaceuticals distribution, he began his career at OCP before joining Geodis and then moving to ID Logistics in 2002.





# **LAUNCH OF A LOGISTICS PLATFORM**

# **FO**R PANZANI



#### **JANUARY**

Panzani selected ID Logistics to provide support for its Greater South project. The aim of the project was to group all of its southern France and export logistics management operations on a single site. This required the creation of an infrastructure capable of managing 40,000 pallets. The new platform, located at Berre-l'Étang near Marseille, is divided into 5 units with a total surface area of 32,000 sqm. Panzani plans to extend the facility by adding a number of additional units. The platform's 40-strong team uses a software application named Infolog to manage all goods movements from container reception through to parcel dispatch to destinations worldwide. Order picking is performed using radio frequency and voice-operated systems.

# STEPPING UP **OPERATIONS**



#### JULY

ID Logistics was selected by Carrefour to manage its logistics operations serving 62 hypermarkets located in the provinces of Shanghai, Jiangsu and Zhejiang from a single platform located at Kunshan, 60 km from Shanghai. Specifically designed for handling dry food products, the 26,000 sqm facility employs around 150 people. The new location has enabled Carrefour to improve product traceability and availability in stores. This restructuring operation will eventually cover all of the retailer's hypermarkets in China. The operation is part of an extensive partnership between Carrefour and ID Logistics covering a number of countries, including France, Argentina, Brazil, Spain, Poland, Morocco, Indonesia and Taiwan.

# **IDEO: A CONTROL TOWER FOR COORDINATING TRANSPORTATION**

IDEO is a new subsidiary founded in 2014 by ID Logistics. Located near the city of Lyon, IDEO offers customers long-term optimization of their transport flows in a spirit of cooperation, independence, transparency and adherence to the principles of sustainable development. IDEO's business model is geared towards taking charge of the customer's entire supply chain, implementing customized optimization solutions and improving the cost-service ratio. During its start-up phase, IDEO is managing transport flows on behalf of two key accounts, Danone Eaux and Orangina Suntory France, with a total transport budget of €170 million. IDEO is currently working together with carriers on around 20 projects aimed at cutting costs and generating added value.

120,000

Shipments carried out by 80 road carriers and 2 rail operators (1.500 full-train loads per year) between 8 factories and 22 ware

# NESPRESSO ASSIGNS ORDER-PICKING



#### **HIGH-PRECISION LOGISTICS**

#### OCTOBER

ID Logistics is managing supplies of Nespresso products to the south of France from a 9,000 sqm platform located at Saulce-sur-Rhône near Valence. The world leader in capsule coffee wished to benefit from the Group's expertise in detail picking, enhanced by the acquisition of CEPL in 2013, and conventional distribution. All flows are managed using a specialized WMS application named "LM XT" (A-Sis). Having proven its efficiency in the area of detail picking, the system offers a high degree of configuration flexibility. All distribution channels are covered: around 20 Nespresso stores, B2B networks including cafés, restaurants and hotels, and B2C customers ordering via the online store at www.nespresso.fr.

# MAXIMUM SECURITY WITH THE SITE



#### **GREATER RESPONSIVENESS AND VERSATILITY**

#### NOVEMBER

ID Logistics has improved security at its warehouses via a partnership with EOS Innovation, the supplier of e-vigilante, a mobile surveillance robotics solution that guarantees optimum security, response time and versatility. The first robot has been deployed at a cosmetics customer's 25,000 sqm warehouse, a particularly sensitive location in view of the value of the goods stored there. Mobile, independent and versatile, e-vigilante patrols the site in order to detect anomalies, intrusions and movements. In the event of an incident, the robot transmits real-time video feedback, with details of its location, to the surveillance center operator. The operator then has the option of taking remote control of the robot, qualifying the warning and taking the necessary steps whilst remaining protected from acts of aggression.

# ECO-FRIENDLY CONSTRUCTION OF A DISTRIBUTION PLATFORM FOR

SAINT-GOBAIN

The new logistics platform built for Saint-Gobain Distribution at Derval in the Loire-Atlantique department is the latest addition to the French multinational's network, designed to boost the group's local presence, responsiveness and product availability. Measuring 33,000 sqm, Derval is the group's largest site and will serve as a platform for distributing its sanitary and heating product brands (Cédéo, Brossette, Dupont Sanitaire, Clim+). The construction project was designed in accordance with environmental requirements: the offices comply with the French RT 2012 heating regulations standard (heat recovery ventilation, 200 mm insulation, airtightness, solar-powered hot water systems, etc.). In the warehouse buildings, the electrical system regulates lighting intensity according to the amount of natural light entering the building at any given time.

50% REDUCTION IN POWER CONSUMPTION

16,000

PRODUCT REFERENCES
DELIVERED TO 86 BRANCHES
in Brittany, Pays de la Loire and the Centre regions, with an eventual staff of around 200

# WE ARE VERSATILE. OUR EXECUTION IS FAULTLESS.

**E-COMMERCE** 

Online purchasing has skyrocketed over the last few years and is now a firmly established consumer habit. According to the latest figures published by FEVAD e-commerce association, global turnover reached €1,173 billion in 2013, divided between 54% products and 46% services purchased from over 645,000 online stores. The top five e-commerce countries are the US, China, UK, Japan and Germany. In Europe, France is in 3rd place with just under 25 transactions per second at the start of 2015. Growth in online sales is set to continue, especially with the boom in mobile phone purchasing in Asia (nearly 30% of Chinese consumers make use of this method).

Such tumultuous growth has inevitably had a powerful knock-on effect on the way manufacturers and retailers organize their business. It also raises a similar challenge for logistics operators, who need to be able to meet the expectations of each online customer by registering orders in real time, preparing the order, custom-packing the consignment and delivering it swiftly to the store or customer while fulfilling its commitments and providing any required added-value services.





IN THE E-COMMERCE SECTOR, LOGISTICS
IS A KEY FACTOR IN FULFILLING
COMMITMENTS MADE TO CUSTOMERS
AND ENHANCING BRAND IMAGE.

In the beginning, the e-commerce sector was exclusively in the hands of specialized firms focusing entirely on this channel of distribution. These days, all major manufacturers and retailers have incorporated e-commerce into their multi-channel and cross-channel sales strategies. Finally, we have seen the rise of online marketplaces, which host various suppliers and sometimes offer their own logistics solutions.

#### CUSTOMER COMMITMENT: A KEY CONCEPT

The concept of customer commitments to be fulfilled by the logistics operator, whoever that may be, is crucial. Such commitments are changing constantly and ever shorter delivery times are being offered to consumers. An appropriate strategy needs to be worked out for the purposes

of search engine optimization and product visibility, with the right balance between offering a broad range of services and keeping logistics costs under control. Returns management, with all the specific constraints that go with it, must also be included among the services provided (see below). Besides these challenges, logistics operators must develop added-value services so as to offer customers advantages equivalent or superior to those offered in store, including gift wrapping, personal messages, bespoke assembly of items and product customization.

#### A NEW STRATEGIC ROLE FOR ID LOGISTICS

All the aforementioned requirements make e-commerce logistics far more complicated than conventional logistics. As a result, manufacturers and retailers are increasingly opting to outsource this service in order to capitalize on the expertise of a specialist provider. In this context, the logistics operator becomes a vehicle for the brand, its reputation and image, particularly in the eyes of the end customer.

Logistics is a crucial ingredient of success in this new method of distribution. ID Logistics must guide its customers through the process of designing more efficient multi-channel solutions via state-of-the-art concepts, technology and know-how deployed by the most experienced teams available.

#### ID LOGISTICS, LEADER AS FRENCH DETAIL LOGISTICS OPERATOR

ID Logistics had already developed this expertise prior to the 2013 CEPL acquisition by positioning itself as a major provider of detail picking services. The takeover boosted the Group to No. 1 position in Europe in this field. With annual revenues of around €180 million and 2,000 employees, CEPL has a strong foothold in the luxury, cosmetics, fragrances and fashion markets. The company has been fully integrated into the ID Logistics Group, which is now able to provide all e-commerce players, whether major retailers, manufacturers, pure players or online marketplaces, with solutions tailored to their specific requirements (see interview with Ivan Longe below).

> continued on next page



THE INNOVATIVE TOOLS USED BY ID LOGISTICS ENABLE ITS STAFF TO PROVIDE MORE RESPONSIVE AND FLEXIBLE RETAIL ORDER-PICKING SERVICES.

#### **NEW PROFESSIONAL SKILLS**

Return management, an important feature of e-commerce logistics, requires specific know-how. The employee must inspect the product and decide whether it should be repackaged and restored to the normal sales channels, or redirected to another process. In the case of a high-tech product, the relevant person must have the technical skills to verify that the product is in proper working order. This expertise requires the development of new professional skills, in which ID Logistics' operating teams have been fully trained.

BILLION
INTERNET USERS
WORLDWIDE,
THE VAST MAJORITY
OF WHOM PRACTICE
ONLINE PURCHASING.

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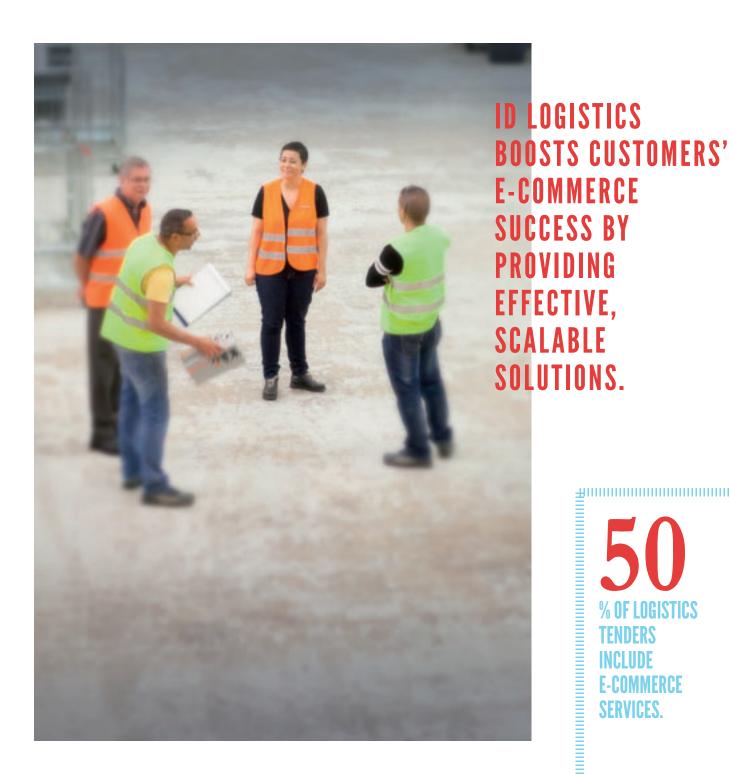
#### SUPPORTING EVERY CUSTOMER WORLDWIDE VIA CUSTOMIZED SOLUTIONS

In fact, ID Logistics' e-commerce strategy is totally in line with the strategy that has driven its success from the very beginning, i.e. to support every customer by designing and rolling out a customized logistics architecture that is efficient, scalable and tailored to global developments. The Group's e-commerce know-how is now fully integrated into all Group subsidiaries and business sectors. This scale-up process is a direct response to market developments: nowadays, almost half of the invitations to tender received by the Group's 14 subsidiaries include a request for e-commerce services.

#### COMMERCIAL SUCCESSES CONFIRM THE MERITS OF THIS STRATEGY

In 2014, the growth of e-commerce business bore witness to the appropriateness and efficacy of this new strategy. One example of such developments is the contract with Conforama.fr to manage all of their online sales via a 54,000 sqm cross-channel warehouse. Another success was winning the contract to manage part of the logistics flows for France's No. 1 e-commerce operator, Cdiscount. ID Logistics distributes small electrical appliances, childcare products and home furniture and equipment. These services will eventually be extended to all categories of large electrical appliances and home furniture and equipment. In 2014, Nespresso also selected ID Logistics to provide order-picking services accompanied by high-precision logistics (see p. 5).

Business in this sector continues to grow in 2015. The Group has been chosen by Auchandirect to take charge of the logistics operations of its three depots in the Paris region as from June 2015. These facilities employ 150 people and post annual growth of 15%. This latest contract confirms the Group's positioning as a preferred e-commerce logistics partner in France.



**% OF LOGISTICS** 

ID LOGISTICS OFFERS E-COMMERCE SOLUTIONS
WORTHY OF A MARKET LEADER ABLE TO
ANTICIPATE AND RESOLVE THE MOST COMPLEX
ISSUES. IVAN LOUGE, LEAD GROUP CONTRACT
MANAGER FOR THIS BUSINESS SECTOR,
EXPLAINS



#### What does e-commerce mean for ID Logistics?

In 2014, e-commerce accounted for around 10% of Group revenues. Growth is strong, as in 2012 e-commerce accounted for around 6% and in 2013 8% of revenues. We expect this growth to continue, judging by the high proportion of invitations to tender that specify e-commerce services.

#### How do you explain this growth?

Naturally, it matches the trend in the market. E-commerce is undergoing sustained growth on a worldwide scale. Our e-commerce business also shows our ability to meet customer requirements. E-commerce is extremely demanding in terms of logistics organization. Companies moving into the online sales sector are in need of advice and expertise. They feel that having a trusted partner will guarantee successful implementation of their strategies. Using a specialized contract logistics operator like ID Logistics gives them significant gains in terms of cost and quality and leaves them free to focus on their core business. This explains why more and more retailers and manufacturers are choosing to outsource their logistics operations.

## What strengths enable you to guarantee faultless e-commerce logistics?

Above all, we guarantee our customers reliability and quality of service. Although the processes and IT system architectures are particularly complex in this field, we practice zero tolerance with regard to defects. It is our responsibility to uphold the commitments made by our customers to their own customers. Responsiveness and versatility are also very important. Due to the amount of orders placed at the weekend, half of the week's business volumes are dealt with on Monday. The ability to adapt is therefore fundamental, and is guaranteed by flexible human resources management and streamlined organization. Flexibility is also needed in order to constantly provide customers with tailored solutions in response to their changing circumstances, for example to manage a seamless transition from a pooled to a dedicated warehouse. Another selling point for ID Logistics is the quality of its advice and expertise in added-value services.

### What is the strategic importance of these added-value services?

Our expertise enables us to offer customers solutions designed to improve performance. To give an example, packing and packaging can account for up to 30% of a company's logistics budget: we can cut these costs by introducing an automated packaging system that allows for different product dimensions, whilst ensuring that no damage occurs to the products during transit. We ensure optimum use of warehouse space, taking the specific characteristics of each product into account. To keep customers up to date, we use web portals that guarantee traceability from order picking through to delivery. We can also assemble or customize products, for example by engraving a message on a perfume bottle.

# Do you vary your approach depending on the type of customer?

Our aim is to adapt to the needs of each customer. We have three basic types of warehouse: the cross-channel warehouse, which manages different types of goods flow on behalf of a single customer; the dedicated warehouse, assigned exclusively to a fully developed e-commerce pure player; and the pooled warehouse, a retail order-picking facility shared by several customers using similar processes and frequently equipped with cost-cutting automated technology. These three models enable us to cover a wide range of requirements. We also have the capacity to invent new warehouse types to cope with more specific needs.

## What are your current targets for your e-commerce business?

We aim to continue to serve our customers on a global scale, who count on our long-term support. We also strive to continue our growth momentum by staying ahead of the field, mainly thanks to innovation.

"OUR CUSTOMERS RECEIVE SIGNIFICANT GAINS IN TERMS OF BOTH COST AND QUALITY."

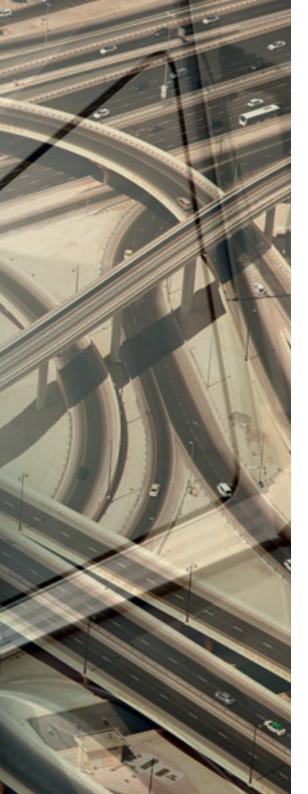
10 % OF OUR REVENUES ARE GENERATED BY E-COMMERCE.

# WE ARE EFFICIENT. AND FULLY COMMITTED.

#### TRANSPORTATION

Every customer operates within a highly competitive environment, regardless of their sector or market positioning. Given this context, delivering the right product to the right place, at the right time and at the lowest cost, is essential. Sales channel diversification is rendering operations more and more complex: in addition to conventional channels, the logistics organization must include in-store collection of goods ordered online and direct delivery of individual products to the end customer. Pressure from the competition is exacerbated by environmental considerations: multinational companies are making commitments to combat global warming by reducing their carbon footprint. As a result, transportation needs to be not only more versatile and competitive: it must also contribute to the preservation of the environmental balance. Coping with these requirements entails careful forward planning of routing plans and the use of cutting-edge technology.





# BY CREATING IDEO, A SUBSIDIARY ASSIGNED EXCLUSIVELY TO MANAGE KEY ACCOUNT FLOWS, ID LOGISTICS HAS YET AGAIN DEMONSTRATED ITS CAPACITY FOR INNOVATION.

reactivity is the hallmark of all services offered by ID Logistics: monitoring ✓ and customs administration teams; TMS (Transport Management System) software or web portals designed to optimize all of a customer's physical flows, enhancement of productivity and traceability whilst promoting sustainable development; computerized on-site guidance of trucks, product traceability and automatic tracking at individual unit level via sensors and RFID (Radio Frequency Identification); specific software applications for organizing shared transportation between different users (suppliers, plants, stores, etc.); special services such as goods shelving and return management, etc.

#### GUARANTEED QUALITY AND RESPONSIVENESS

When formulating global solutions to manage a customer's entire supply chain, the Group combines tailored services so as to guarantee impeccable quality in the delivery of goods. Although a certain amount of reloading is inevitable in the case of deliveries to nearby stores and consumers, optimum quality can be guaranteed through the precision and reliability of our IT systems, the adaptation of packaging and the ability to design and implement flexible routing plans. In the case of unforeseen contingencies, the versatility and professionalism of ID Logistics' staff ensure a speedy response.

#### FOUNDATION OF IDEO, THE NEW-GENERATION CONTROL TOWER

One innovative development in the transportation segment in 2014 was the creation of a new subsidiary in the Lyon region specializing in flow management. Christened IDEO, the subsidiary's mission is to manage, pool and optimize the logistics

flows of key accounts. The first partnership has been signed with two customers, Orangina Suntory France (Orangina, Schweppes, etc.) and Evian Volvic World Sources (EVWS). Evian Volvic belongs to the Danone group and is responsible for distributing a number of highly reputed brands of bottled mineral water, including Evian, Badoit, Volvic and Salvetat.

#### REDUCTION OF COSTS AND CARBON FOOTPRINT

The Danone contract involves managing and optimizing all of EVWS's European logistics flows in five countries (France, Germany, Belgium, Switzerland and the UK) from four production plants and 17 warehouses, in accordance with the precepts of lean management. Road and rail transport is used, with over 1,500 full-train loads per year.

Setting up this new platform required an investment of over €1 million in a TMS software package that will be used to manage future customers' flows by pooling resources and consolidating loads with the aim to not only cut costs, but also to reduce the carbon footprint of these customers' supply chains.

MILLION TRANSPORT ORDERS MANAGED BY ID LOGISTICS IN 2014



TRANSPORT MONITORING BY DEDICATED TEAMS GUARANTEES OPTIMIZED FLOWS.

"WITH IDEO,
ID LOGISTICS
SUCCEEDED IN
PERSUADING
US TO SHARE
A PRODUCTIVITY
WE WOULD NEVER
HAVE ACHIEVED
ON OUR OWN."

PHILIPPE GALLOIS, VP Operations Danone Waters

# WE ARE INVENTIVE. WE CREATE VALUE.

#### INNOVATION

Since its creation in 2001, ID Logistics has positioned itself and operated as a pioneer for innovation. This is a core strategy for the Company; it underpins its growth and forms part of everyday operations. Teams provide customers with added value by designing and rolling out logistics solutions, while customers experience the long-term benefits of state-of-the-art solutions, systems and value-enhancing developments. Building on this structural and collective approach, in 2014 a specialized Innovations Department was set up under the direction of the Deputy Managing Director responsible for Development. This reporting relationship demonstrates the inextricable link between creativity, sales and operations within the Group!





# THE INNOVATION DEPARTMENT GUARANTEES CUSTOMERS A PARTNERSHIP THAT INCLUDES CUTTINGEDGE PROCESSES, PRODUCTIVITY AND QUALITY.



LUDOVIC LAMAUD Executive Vice President, Development and Innovation



ROMAIN DELLAMONICA Innovation Manager

## In what way is innovation a strategic priority?

LUDOVIC LAMAUD: Our business is to provide customers a range of long-term value-added services. As such, innovation is vital. As of the Company's foundation, this has helped us stand out, and has given us a competitive advantage. It's not just a choice, it's in our DNA.

ROMAIN DÉLLAMONICA: Contract logistics is a precision industry, with extremely sophisticated practices. On-going improvements in processes, productivity and flexibility involve novel solutions and innovative approaches.

# Why did you set up a department specifically focusing on innovation?

LL: Before 2014, we took a pragmatic approach. As the Company expanded it became necessary to structure our approach, so that we could become more efficient and boost our goal to be No. 1 in logistics innovation.

### In practice, what does this department consist of?

R. D.: Our Innovations department includes four engineers. With a focus on collaboration, they work together to centralize all Group innovation projects. An Innovations Committee comprising Operations, Information systems and Development managers directs and oversees their work

**LL**: We take a dual approach to innovation: firstly, we work on incremental improvements, in particular high-tech developments that last some 3 to 9 months, and secondly we work on game-changing innovations that bring us major competitive advantages. These may last up to 36 months.

R.D. Our partners and suppliers are also involved in each project. The department is an innovation "ecosystem" open to other partners including startups, top universities, research centers, etc.

#### What are your objectives?

LL: Finding solutions that boost productivity, responsiveness and versatility means we'll stay ahead, particularly in the e-commerce sector, which is a major source of growth (see pp. 6 to 9). While new technologies such as RFID have provided proven benefits, innovation also involves people, management, ergonomics and staff flexibility when it comes to meeting immediate customer needs. Sustainable development issues are also taken into account, for example using fuel-cell forklifts, or natural gas trucks for local shipments.

# Does innovation always bring tangible and long-term benefits?

R. D.: ID Logistics introduced voice picking for the first time in France in 2005. Since then it has become an industry standard. Current developments and research become the standards of tomorrow: robot janitors, automated tasks such as on-demand package production, "easy checking" for computerized on-site guidance of trucks, etc.

LL: Our new IDEO control tower for optimizing the supply chain is another clear example of how our creativity benefits customers. Because that's our real goal: to transform each innovation into a real-life customer benefit.

"WE ANTICIPATE FUTURE NEEDS VIA AN INNOVATION APPROACH THAT IS 100% CUSTOMER-FOCUSED."

ONGOING REVIEW
OF PROMISING
PROJECTS
INCLUDING
15 NEW PROJECTS
EVERY YEAR

**40000000000000000000000000000000000** 

(Objectives of the Innovation Department set up in 2014).

# WE ARE PIONEERS. WE OPERAT WORLDWID

#### INTERNATIONAL

ID Logistics was founded in 2001 to meet the needs of manufacturers and retailers looking to optimize all their logistics procedures based on a global and international approach. Currently the Company serves over half its customers in several countries, and our strong growth demonstrates the accuracy of our forecasts. Backed by subsidiaries in 14 countries, we can operate over great distances while involving different logistics services based on a standard and efficient approach for all customers. The result is precise planning of jobs, optimum management of physical and data flows, control of deadlines, cost reductions and fast start-up times.





A CORE FEATURE OF ID LOGISTICS' STRATEGY
IS ITS INTERNATIONAL CUSTOMER SUPPORT.
OUR MISSION IS TO CONTRIBUTE TO CUSTOMER
SUCCESS THROUGH COORDINATED, AFFORDABLE
AND EFFECTIVE SOLUTIONS WORLDWIDE.

Logistics Group has proved its ability to support multinationals throughout their worldwide markets, including emerging markets. The Group contributes to their success in high-growth markets both in and outside Europe.

Globalization, increased consumption in numerous countries, and the development of e-commerce are boosting trade and transactions worldwide. The world market for contract logistics also benefits from outsourcing by manufacturers and retailers. This dual trend is further encouraged by sustainable development

#### INNOVATIVE SOLUTIONS FOR EMERGING MARKETS

The Group supports customers in 14 countries or regions: Spain, Germany, Netherlands, Poland, Russia, China, Taiwan, Indonesia, Morocco, Indian Ocean, South Africa, Brazil and Argentina. Given that some of these regions are at earlier stages of development than the mature European markets, they are growing fast. Market growth is strongly correlated with increases in household consumption, a trend generally accentuated by population size and demographics. This macroeconomic context requires development of logistics infrastructure for large retailers and manufacturers; based on its expertise and experience, ID Logistics designs and implements these facilities using solutions suitable for emerging markets, focused more on supporting growth than on problems of logistics reorganization or re-engineering.

strategies introduced by bulk haulage firms. Reducing the carbon footprint requires coordinated management of transport and warehousing. The need for a global service provider such as ID Logistics, capable of measuring CO<sub>2</sub> emissions throughout the supply chain, while offering complete action plans to reduce CO<sub>2</sub> emissions and potential improvements, is steadily increasing.

#### A GROWTH OUTLOOK EXTENDING TO ALL COUNTRIES

In this growing contract logistics market, the Group plans to offer services farther afield, not only to France-based multinationals but also to those with head offices in other countries, whether in Europe, America or Asia. All Group subsidiaries must be able to offer their own customers the full support of the Group in other countries where it operates.

#### STRATEGIC EXPANSION IN CHINA

2014 international developments include Carrefour's plan for a new 26,000 sqm logistics platform near Shanghai, which boosts the Group's presence in China. ID Logistics has operated in China for over ten years serving Carrefour and other well-known brands such as Auchan, Danone, Metro, Gefco and AB InBev. Backed by nearly 500 employees, the Chinese subsidiary manages 11 logistics sites and over 400,000 freight orders per year, especially in the booming areas around Beijing, Shanghai and Guangzhou.

With this new project, ID Logistics is affirming its ambitions in China at a time when the government has decided to rebalance the country's growth by focusing on medium sized towns and domestic consumption. This is a development that will encourage companies to optimize distribution planning by working with logistics firms. To meet this new requirement, the Group has strengthened its presence in the country, both operationally and in terms of Business Development. The goal is to provide current and potential customers with genuine value-enhancing solutions.

Furthermore, ID Logistics' ability to adapt to the specific features of international markets extends to new technologies. For example, for Carrefour's new platform the Group is applying its experience and know-how as an IT integrator and its expertise in warehouse management solutions using Infolog software. In China ID Logistics is one of the only logistics service providers to use and provide such technological and IT systems translated into Mandarin.

14
COUNTRIES,
184 SITES AROUND
THE WORLD

43
% OF REVENUES
ARE INTERNATIONAL



**ID LOGISTICS OFFERS CUSTOMERS EFFECTIVE SOLUTIONS FOR ACHIEVING** THEIR SUSTAINABLE DEVELOPMENT **GOALS, AND IMPLEMENTS A PLANNED** STRATEGY EXPRESSED THROUGH **CONCRETE ACTIONS FOR ITS OWN** CORPORATE SOCIAL RESPONSIBILITY.



#### THREE KEY AREAS OF FOCUS

Through its commitment over many years to sustainable development, the Group has put its values into practice (See following pages). Activities cover three areas as follows:

#### STAFF AND SOCIAL

Be socially responsible both as an employer and in dealings with surrounding communities.

#### **ENVIRONMENTAL**

Preserve the environment by taking action to minimize pollution, energy consumption and waste.

#### ECONOMIC APPROACH

Improve our efficiency through an environmental approach that meets customer needs.

All Group employees are involved in this approach, set out in a sustainable development charter. This framework enables all sites to take concrete action under a standard global approach. Over 100 actions are listed on a dedicated intranet site, where they are all described on a factsheet highlighting benefits and detailing the key steps in their implementation.

# SUSTAINABLE DEVELOPMENT UNDERLIES GROUP STRATEGY AND IS REFLECTED IN OUR DAILY ACTIVITIES.



CHRISTOPHE SATING Managing director

# How important is sustainable development for ID Logistics?

Our sustainable development policy is aimed at both customers and employees. Our growth depends on getting this balance right. We support customers with a view to boosting efficiency, by involving staff and business partners. Our goal is to achieve sustainable and measurable value-enhancing results for everyone. Since the company was founded, our corporate vision has focused on achieving this balance.

#### How is this policy put into practice?

We made a pragmatic choice to establish our own benchmark of best practices, both in sustainable development and in operations, through our ID Logistics Certification ("CIDL"). Each site has a tool box for establishing sustainable development initiatives, which are broken down into three aspects (environment, employees and social). Every year sites must commit to at least four initiatives. This approach is monitored through detailed indicators which show the level of difficulty in implementing these initiatives, as well as their expected results, and enables us to keep an eye on progress every year. Quite a few initiatives are implemented jointly with customers, in particular as regards environmental aspects of their supply chain.

### Can you give details of this environmental commitment?

In the logistics service, control of environmental impacts is a major factor and underlies our operations. This mindset is shared by our customers who are themselves engaged in their own approaches to sustainable development. Logistics is particularly concerned by this: our innovations contribute to optimizing flows and reducing carbon footprints. Aside from our expertise in freight organization, every day we strive to continually improve our sustainable development practices; for example, for Castorama we have introduced delivery vehicles using 100% decarbonized natural gas, and our approach is audited by independent certification organizations. In 2014, ID Logistics achieved a score of 81 out of 100 under the Carbon Disclosure Project, which puts the Group at the very top of worldwide logistics firms, where the industry average is 53/100.

#### What are the other aspects of your policy?

In addition to overall corporate policy we have our Talents 2020 project, extended today to include middle management, as well as the emphasis we place on safety at work and risk prevention (see following pages). For some years now we have also been committed to employing disabled people. The ambassador for our disabled persons employment program at different levels in the company is Nicolas Savant-Aira, IT developer for ID Logistics, and world vice champion and Olympic bronze medalist at wheelchair table-tennis. Ten years ago in Rio de Janeiro, Brazil, we set up ID Esperanza, an NGO that helps children from one of the favelas to return to school. This program is based on sports (volley-ball) and cultural activities (library and school support).

In 2014 we became an active partner in France in the improvisation competition *Trophée d'Improvisation Culture & Diversité*, created with Déclic Théâtre and led by Jamel Debbouze and Marc Ladreit de Lacharrière. Our aim is to extend this form of participation and recognition through theatre to young people in educationally deprived areas in the south of France. The semi-finals of the *Trophée* were held in Cavaillon this year.

"IN 2014,
ID LOGISTICS
ACHIEVED 81/100
IN THE CDP\*,
PUTTING THE
GROUP AT
THE VERY TOP
OF WORLDWIDE
LOGISTICS FIRMS."

\* Carbon Disclosure Project

IN 2014, OVER

1,300

INITIATIVES UNDERTAKEN
BY OVER 70 SITES,
INCLUDING 1,100 IMPLEMENTED
TO SUPPORT SUSTAINABLE
DEVELOPMENT.



#### **FOUR FOUNDING VALUES**

#### **ENTREPRENEURSHIP**

The Group's watchword, which encompasses three core aspects: dare, imagine, develop – as well as taking maximum care in implementation and risk assessment.

#### **OPERATING EXCELLENCE**

Absolute compliance with specifications, quality of service, new technologies... Guarantees of optimum performance for customers.

#### HIGH STANDARDS

Rigor, discipline and professionalism in human relations, in the company, in relations with customers and business partners.

#### **SOLIDARITY**

Between employees, between the Group's business units, with customers and partners. This is expressed through actions to support clients in difficult situations or to promote sustainable development.

Brought out by training, identifying talent and encouragement, these values define the team spirit that is a marked characteristic of the Group. A dynamic reinforced by internal ID Certification, encouraging sharing of best practices, which ultimately benefits customers.



# LAUNCHED IN 2011, "TALENTS 2020" IS THE ESSENTIAL COMPONENT IN CAREER MANAGEMENT AND DEVELOPMENT FOR GROUP EMPLOYEES.



#### SÉBASTIEN GUIRAGOSSIAN, Director of Human Resources

## What are the principle aspects of ID Logistics' HR policy?

Our job is to support the Group's growth by serving both external and internal customers. For example, we take action long before many projects begin by participating in bidding for potential customer tenders. As such we can optimize transfers of staff in line with their strategy for outsourcing or developing their logistics.

## What part does Talents 2020 play in this approach?

Talents 2020 is a vital ground-breaking project. To begin with, we must remember that it was developed as a whole in close collaboration with operational staff. The result is that from its 2011 launch, it was perfectly suited to management needs and requirements, having been constructed around a sector database using a shared IT platform. Through this infrastructure we identify talent, potential skills increases and requirements.

## What tools does this IT platform provide managers and employees, in practice?

Talents 2020 makes it possible to prepare annual performance interviews on a clear and factual basis, self-assess skills and performance, know each person's career ambitions, follow training

programs at everyone's individual pace through an e-learning module, or apply to available job vacancies. This encourages internal mobility, thereby benefiting ambitious employees, and also customers; when we launch a business, we hire most staff in-house. 70% of managerial positions are filled via this focus on internal Group mobility. The strong corporate culture ensures immediate operational performance. Talents 2020 is thus a complex filter benefiting both customers and staff.

## You mentioned e-learning. Is this sort of training available for everyone?

Every employee can access e-learning tools, in particular as regards safety of people and goods. Starting with the team leader, i.e. first management level, a very large number of other modules are available, such as sustainable development, office IT, languages, etc. For higher level courses we combine e-learning with in-class tuition. Seminar participants are invited to complete a preliminary on-line preparation module, which provides a strong foundation before the trainer takes over.

# Do Talents 2020 and the HR policy in general cover all countries where the Group operates?

In addition to France, Talents 2020 is being rolled out in Brazil, Poland and Russia. The aim is to cover all countries by the end of 2016. Additionally, in 2014 we began developing HR coordination for all countries, and we already have standard reporting indicators. Obviously, we discuss these subjects with our staff representatives, with whom we maintain constructive and positive dialog.

"TALENTS 2020 **PROVIDES** ALL THE TOOLS FOR EVALUATING SKILLS, TRAINING AND POTENTIAL, IN ORDER TO CONTINUE SATISFYING **CUSTOMER NEEDS** IN THE FUTURE."

# A NEW MILESTONE **REACHED IN 2014**

SHARP GROWTH IN REVENUES, **SOARING EARNINGS AND PLUMMETING DEBT:** THESE ALL CONFIRM THE GROUP'S CAPACITY TO RAPIDLY INTEGRATE A GAME-CHANGING ACOUISITION.

#### SUSTAINED GROWTH - IN FRANCE AND INTERNATIONALLY

€874.5 M

up 19% (like for like: up 11.4%)

€497.6 million. up 19.2% (like for like: up 9.3%)

€376.9 million, up 18.7% (like for like: up 14.4%)

In a consistently promising global market, Group revenues continue to grow at a healthy pace. France revenues were up 9.3% like for like, driven by strong volumes and the launch of new contracts during the year. International revenues remain buoyant, boosted primarily by growth in emerging markets, especially South America, South Africa and Poland.

#### IMPROVED OPERATING MARGINS

€41.6 M **EBIT MARGIN** 

(4.3% in 2013)

The France EBIT margin came in flat at 5.5% and amounted to €27.2 million. This reflects a reduction from the first fullyear of CEPL revenues and lower margins on new contracts in first half 2014, which was offset by improved productivity on 2013 new contracts. International EBIT amounted to €14.4 million or a 3.8% margin (2013: €8.8 million and 2.8% margin). This improvement in EBIT margin was due to higher margins on CEPL International revenues and higher earnings in Poland, Germany and Spain.

#### SHARP INCREASE IN NET INCOME

€18.0 M **NET INCOME. GROUP SHARE** 

UP + 50%**OVER PREVIOUS YEAR** 

#### CASH FLOW AND STRONG FINANCIAL STRUCTURE

€34.2 M **OPERATING CASH FLOW** 

After operating capex

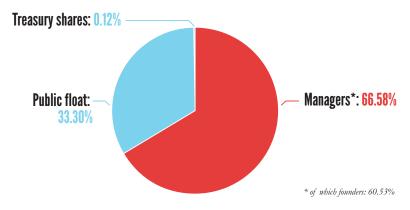
**NET BORROWINGS/EBITDA** 

Cash flow reflects higher operating margins and tight control over working capital. The high cash flow resulted in an ongoing strong financial structure, 52% gearing and a net borrowings/EBITDA ratio of 0.9. This ratio stands at a level one third of that of under two years ago following the July 2013 CEPL acquisition.

# STABILITY AND CONFIDENCE

THE BREAKDOWN OF ID LOGISTICS
SHAREHOLDERS PROVIDES OPTIMUM
STABILITY SO THAT THE COMPANY
CAN PURSUE ITS GROWTH STRATEGY
OVER THE LONG TERM. MOVEMENTS
IN ITS SHARE PRICE REFLECT MARKET
AND INVESTOR CONFIDENCE.

#### BREAKDOWN OF SHAREHOLDERS (AT DECEMBER 31, 2014)



#### SHARE PRICE MOVEMENTS (€)



Lowest price during the year: €57.50 (January) Highest price during the year: €79.73 (March) Between the April 2012 IPO and December 31, 2014, the share price surged by around 300%.

The 2014 volume of daily trades doubled compared to 2013 to over €300,000.

# THE ID LOGISTICS GROUP SHARE

ISIN code:

FR0010929125

Listing market:

Euronext Paris

• Compartment:

В

Principal index:

CAC Small

Other indices:

CAC Mid & Small,

CAC All-Tradable,

∃aaaaaaaaaaaa

CAC Industrials

# **CONSOLIDATED INCOME STATEMENT**

2014 FEATURED HIGH ORGANIC GROWTH, THE COMPLETE INTEGRATION OF CEPL GROUP, ACQUIRED IN JULY 2013, AND THE FIRST SALES SYNERGIES ARISING FROM CEPL. OPERATING **MARGINS CONTINUED TO IMPROVE** AND CASH FLOW REMAINED STRONG THEREBY BOLSTERING THE ALREADY STRONG FINANCIAL STRUCTURE.

	#		ш <u>т</u>	
(£000)		31/12/2014		31/12/2013
Revenues		874,503		735,124
Purchases and external charges	=	(436,523)		(373,342)
Staff costs	=	(359,572)		(299,255)
Miscellaneous taxes		(13,694)	Ξ	(11,594)
Other underlying income (expenses)		(378)		(793)
Net (increases) write-backs to provisions	=	136		609
Net depreciation/impairment	=	(22,901)		(18,940)
EBIT before amortization of customer relations		41,571	Ξ	31,809
Amortization of acquired customer relations		(537)		(287)
Non-recurring expenses		(4,150)		(3,950)
Operating income		36,884		27,572
Financial income		1,340	Ξ	946
Financial expenses		(8,131)		(6,180)
Group income before tax		30,093		22,338
Corporate income tax		(11,460)		(9,313)
Share of earnings of equity affiliates		(47)	Ξ	93
TOTAL CONSOLIDATED NET INCOME		18,586		13,118
Of which minority interests		560		1,068
Of which Group share	=	18,026	Ŧ	12,050
EARNINGS PER SHARE, GROUP SHARE				
Basic EPS (€)		3.23		2.18
Diluted EPS (€)		3.04		2.07
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The tables above are a summary of the complete financial statements, which, together with the auditors report, can be viewed in full on the ID Logistics Group website at www.id-logistics.com/actionnaires/informations-reglementees

# CONSOLIDATED BALANCE SHEET

	<b>≝</b> ⊓		mu <u>t</u>	
(€000)		31/12/2014		31/12/2013 <sup>(1)</sup>
Goodwill		116,971		116,971
Intangible assets		7,812		8,050
Property, plant and equipment	E	132,391	=	138,223
Investment in equity affiliates	Ξ	1,134		1,211
Other non-current financial assets		5,373		4,503
Deferred tax assets		8,714	=	8,909
Non-current assets		272,395		277,867
Inventories		42		105
Trade receivables		140,191	=	134,234
Other receivables	Ξ	37,976		31,578
Other current financial assets	Ξ	5,924		5,124
Cash and cash equivalents	Ξ	80,360		67,440
Current assets		264,493	=	238,486
TOTAL ASSETS		536,888		516,353
Capital stock	Ξ	2,791		2,791
Additional paid-in capital	Ξ	53,365		53,265
Exchange differences		(3,940)	=	(3,616)
Consolidated reserves	Ξ	32,210		23,479
Net income for the year	Ξ	18,026		12,050
Shareholders' equity, Group share	Ξ	102,452	=	87,969
Minority interests		5,060	=	2,882
Shareholders' equity	Ξ	107,512		90,851
Borrowings (due in over 1 year)		99,680	=	122,915
Long-term provisions		19,945	=	15,061
Deferred tax liabilities		2,182	=	1,466
Non-current liabilities		121,807		139,442
Short-term provisions		22,575	=	20,538
Borrowings (due in less than 1 year)		35,321	=	29,425
Other current financial liabilities		876		802
Bank overdrafts		30		852
Trade payables		122,438	=	110,166
Other payables		126,329		124,277
Current liabilities		307,569		286,060
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		536,888		516,353

<sup>(1)</sup> The comparative figures as of December 31, 2013 have been adjusted to take account of the final purchase price allocation for the CEPL logistics group.

# **CONSOLIDATED STATEMENT OF CASH FLOWS**

	<u></u> #⊞		п <u>ш</u>	
(€000)		31/12/2014		31/12/2013
Net income		18,586		13,118
Net depreciation, impairment and provisions		25,226		18,132
Fair value adjustments on financial instruments	E	(214)		(60)
Share of undistributed earnings of equity affiliates	Ŧ	77	Ξ	(71)
Change in working capital		2,654		16,259
Net cash flows from operating activities after net cost of debt and tax		46,329		47,378
Corporate income tax		11,460		9,313
Costs on acquisitions of equity investments		-		2,585
Net financial costs from financing activities		5,553		4,958
Net cash flows from operating activities before net cost of debt and tax		63,342		64,234
Tax paid		(10,064)		(6,659)
Net cash flow from operating activities		53,278		57,575
Purchase of intangible assets and PP&E		(21,623)		(17,628)
Purchase of financial assets		(1,688)		(3,348)
Fixed asset payables		(427)		845
Purchase of subsidiaries net of cash acquired		-		(85,653)
Costs on acquisitions of equity investments		-		(2,585)
Sale of intangible assets and PP&E		3,930		1,904
Sale of financial assets		728		2,485
Net cash flow from investing activities		(19,080)		(103,980)
Net financial costs from financing activities		(5,553)		(4,958)
Net loans received		14,725		88,187
Loan repayments		(31,874)		(18,694)
Net (purchase) / sale of treasury shares		(350)		285
Distribution of dividends to minority interests		(280)		(263)
Share issue		100		3,757
Transactions with minority interests		2,685		-
Net cash flow from financing activities	Ξ	(20,547)		68,314
Exchange gains (losses)		92		(788)
NET UNDERLYING CHANGE IN CASH AND CASH EQUIVALENTS		13,743		21,121
Opening net cash and cash equivalents		66,588		45,467
Closing net cash and cash equivalents		80,331		66,588
	<b>=</b> 11		III.	

#### **FRANCE**

#### **ID Logistics FRANCE**

410, route du Moulin de Losque CS 70132 84304 Cavaillon France Tel. + 33 (0)4 32 529 600 contact@id-logistics.com

#### LA FLÈCHE

Quartier Boscodomini ZAC Extens MIN 735, Avenue de la Première D B 84300 Cavaillon Tel. 04 90 04 45 26 contact@id-logistics.com

#### SPAIN

#### **ID Logistics ESPAÑA**

Avda. Doctor Severo Ochoa 51 2ª Planta 28108 Alcobendas (Madrid) España Tel. + 34 91 598 05 11 info.es@id-logistics.com

#### POLAND

#### **ID Logistics POLSKA**

ul.Rozdzienskiego 91 40-203 Katowice Polska Tel. + 48 32 411 2100 biuro@id-logistics.com

#### RUSSIA

#### **ID Logistics RUSSIE**

8 Marta Street, Building 1 Construction 12, Business Center "Trio" Moscow, 127083 Russia Tel. +7 915 365 94 32 contactrussia@id-logistics.com

#### GERMANY

#### **ID Logistics ALLEMAGNE**

Lombardinostrasse 1 76 726 Germersheim Germany Tel. + 49 7274 502 11 kontakt@id-logistics.com

#### **NETHERLANDS**

#### **ID Logistics BENELUX**

Dongenseweg 200 5047 SH Tilburg Netherlands Tel. +31 13 515 7 515 contactnl@id-logistics.com

#### **ARGENTINA**

#### **ID Logistics ARGENTINA**

Edificio "C" Bureau Parc San Isidro, Cuyo 3532, Martínez Provincia de Buenos Aires Argentina Tel. + 54 11 3220 2973 contacto@id-logistics.com.ar

#### **BRAZIL**

#### ID DO BRASIL LOGISTICA LTDA

Edificio Icon Alphaville Alameda Mamoré, 503 – 4° andar Alphaville Industrial – Barueri SP – CEP 06454-040 Brazil Tel. + 55 11 3809 3400 contato@id-logistics.com.br

#### CHINA

#### **ID Logistics CHINA**

N.683 Bao Qi Road Baoshan District 200444 Shanghai China Tel. + 86 21 6364 2957 contact@id-logistics.com.cn

#### TAIWAN

#### **ID Logistics TAIWAN**

No.36, Sec. 2, Changsing Rd. Lujhu Township Taoyuan County 338 Taiwan (R.O.C) Tel. +886 33 12 71 66 contact@id-logistics.com.tw

#### INDONESIA

#### ID LOGITIMA INDONESIA

Gedung Palma One #05-511
Jl. HR Rasuna Said Kav X-2/4,
Setiabudi,
Jakarta Selatan 12910 – Indonesia
Tel. +62 21 252 1002
contact\_indonesia@id-logistics.com

#### **SOUTH AFRICA**

#### IDL FRESH SOUTH AFRICA

1st Floor - Building 7 Greenstone Hill Office Park Emerald Bvd 1609 Greenstone Hill South Africa Tel. +27 10 003 6888 contactidlsa@id-logistics.com

#### REUNION

#### ID Logistics OCÉAN INDIEN

3, rue Simone Morin ZI des Tamarins 97420 Le Port Reunion Tel. + 33 262 32 33 64 contact-oi@id-logistics.com

#### MOROCCO

#### **ID Logistics MAROC**

19, rue Ibnou Koutia Ain Sebaâ Casablanca Morocco Tel. + 212 5 22 34 43 16 contactmaroc@id-logistics.com



#### ID LOGISTICS GROUP

410, route du Moulin de Losque – CS 70132 84304 Cavaillon – France www.id-logistics.com