ANNUAL REPORT 2013

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BOARD OF DIRECTORS

Francis LEMOR, Chairman

Bernard JOLIVET, Vice-Chairman

Jean-Charles FROMAGE, Deputy Executive Officer

Gilles BOUTHILLIER

Alain BRÉAU

Eric GIUILY

Emmanuel HAU

Estelle HENSGEN-STOLLER

Robert de LAMBILLY

Murielle LEMOINE

Dominique NOUVELLET

Xavier OGIER du TERRAIL

ALLIANZ Vie, represented by Peter Etzenbach

ATLANTIQUE MANAGEMENT, represented by François de COSNAC

EXECUTIVE MANAGEMENT

Jean-Pierre SANCIER
Chief Executive Officer

Serge CAPITAINE
Deputy Executive Officer
Sales and Marketing

Bruno DUQUENNE
Deputy Executive Officer
European Affairs

Stanislas LEMOR
Deputy Executive Officer
Finance and Administration

EXECUTIVE COMMITTEE

3 Bertrand BOMPAS
Managing Director of STEF Logistique

9 Jean-Marc BRUÈRE
Deputy Executive Officer of STEF Transport

8 Serge CAPITAINE
Deputy Executive Officer of STEF
Sales and Marketing Director

2 Bruno DUQUENNE
Deputy Executive Officer of STEF
Deputy Executive Officer of STEF Transport

1 Gérard GROFFE
Human Resources Director

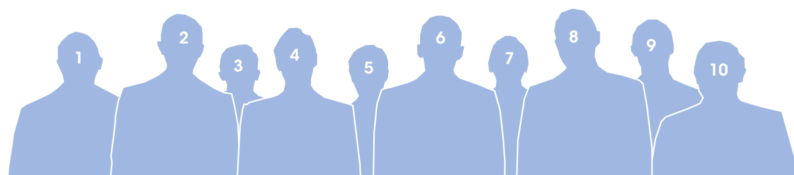
4 Stanislas LEMOR
Deputy Executive Officer of STEF
Financial Director

10 Marc REVERCHON
Managing Director of Compagnie Méridionale de Navigation

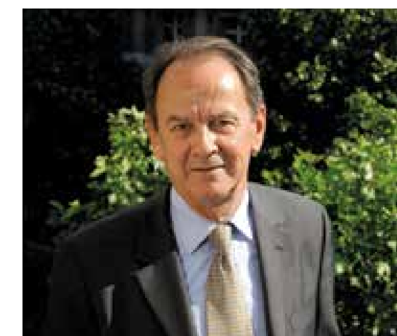
7 Léon de SAHB
Managing Director of STEF Information and Technologies
IT Systems Director

6 Jean-Pierre SANCIER
Chief Executive Officer of STEF
Chairman of STEF Transport

5 Gilles SAUBIER
Buildings and Purchasing Director



THE CHAIRMAN'S MESSAGE



The STEF Group emerged stronger from a difficult 2013 for the transportation and logistics sector. This demonstrates the robustness of its business model which is built on a strong financial independence, a growth which outstrips that of its markets and a consistent operational performance, now well established in all our countries.

The Group's independence was illustrated in 2013 by the celebration of the 20th anniversary of the Company Savings Plan. With the Group's employees holding over 16% of the capital, the Company Savings Plan is a key characteristic in the corporate culture at STEF, whose management and staff hold more than 66% of its capital.

The Group's growth and operational strength have resulted in the success of a major external growth operation being successfully managed, that of the acquisition of the company EBREX in October 2013. Its swift integration, coupled with a concern for the quality of service provided to customers, demonstrates the maturity of the Group's organisation. In addition, the existing scope has been extended with much smaller acquisitions (in Spain and Switzerland).

This external growth, combined with the organic growth of our divisions, has reinforced the Group's activities in France and its market share in the European countries where STEF has started to expand.

This development is one of specialisation – temperature-controlled – and a multicountry positioning in Europe, in both transportation and logistics. This is an economic model which has scarcely changed even in the still adverse economic conditions, enabling all the countries to continue their growth and improve their profitability.

This is the case in Italy which has become a key player in fresh products groupage and logistics across the entire country.

This is the case in other countries (Spain, Portugal, Belgium), which have been able to control operating costs and secure, or even increase their market share.

In Switzerland, the operational scope has been bolstered by the acquisition of a facility in the German-speaking region.

Finally, international consolidation has also given us cause for satisfaction. We have been able to support the growth of exporters in southern Europe and Germany with whom the Group has a solid reputation.

As regards La Méridionale, it has started a new public service concession to provide maritime services to Corsica from the port of Marseille for a ten-year term. This concession has validated the Group's decision to position itself on this market with a fleet of passenger/freight ships and a quality service perfectly matched to the requirements of the transportation of goods and passengers.

In France and other southern European countries, the political environment in 2014 seems to pay greater attention to the interests of business. In this more positive context, STEF is determined to continue with its proactive external growth policy and ambitious investments. Several building projects will be delivered in 2014 and new IT tools will enhance the effectiveness of internal procedures including the CRM (Customer Relationship Management) project. This vast data standardisation and customer relationship management programme will be deployed throughout Europe.

To conclude, I would like to commend all the Group's employees for their loyalty and their professionalism. Thanks to them, the STEF Group is built on the strength of its culture and its European roots. Alongside our customers, we are ready to seize the first signs of recovery that appear.

Francis LEMOR,
Chairman

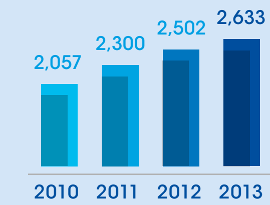
KEY FIGURES

THE EUROPEAN EXPERT IN COLD LOGISTICS

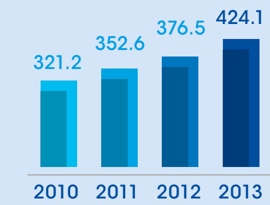
87 SITES Logistics France

53 SITES European activities

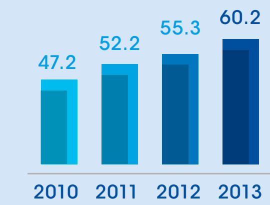
95 SITES Transportation France



CONSOLIDATED TURNOVER
IN MILLIONS OF EUROS



CONSOLIDATED EQUITY
GROUP SHARE
IN MILLIONS OF EUROS



CONSOLIDATED INCOME
GROUP SHARE
IN MILLIONS OF EUROS

EMPLOYEES 15,490

VEHICLES 2,200
2,250 REFRIGERATED TRAILERS

COLD STORAGE
6,425,000m³

REFRIGERATED QUAY AREA
458,500m²

4 PASSENGER/FREIGHT SHIPS

STEF sites
STEF partners
Canary Islands

THE GROUP'S ECONOMIC ENVIRONMENT

Due to its highly specialised offer and multi-country positioning in logistics and transportation, the dynamic of STEF's economic model in Europe has not been affected by the crisis. Today, the Group positions itself as one of the only European logistics organisations able to offer its customers comprehensive temperature-controlled logistics solutions that are perfectly matched to the requirements and expectations of food distribution. Its multi-temperature offer and its ability to combine the benefits of a consolidation network with mass distribution, enables it to provide its customers with a fast and secure service for all types of distribution channel.

THE ECONOMIC SITUATION IN THE EUROZONE STABILISES

2013 was marked by a fragile return to growth in the eurozone. Encouraged by the American recovery, the exit from the recession was confirmed in the third quarter of 2013 (+0.3%) after six consecutive quarters of decline.

However, the recovery is not progressing at the same rate in all countries; Great Britain stands apart, Germany is experiencing a moderate recovery and France is stagnating, while the southern countries are glimpsing signs of improvement.

Despite everything, the economic indicators for the eurozone are still below their pre-crisis levels (2008-2009) and two challenges remain: the unemployment rate and the record levels of public debt.

A STILL-FRAGILE ECONOMIC RECOVERY

CHANGE IN GDP

(source: Eurostat at 09/04/2014)

Eurozone (17 countries)	FR	BE	IT	ES	PT	NL	CH
- 0.4%	+ 0.2%	+ 0.2%	- 1.9%	- 1.2%	- 1.4%	-	+ 2%

A LOW INFLATION RATE

2013 Inflation rate (source: Eurostat)

Eurozone	FR	BE	IT	ES	PT	NL	CH
+ 1.4%	+ 1%	+ 1.2%	+ 1.3%	+ 1.5%	+ 0.4%	+ 2.6%	+ 0.1%

Annual inflation reached 1.4% on average (2.5% in 2012). Food prices also fell (1.6% in December 2013 vs December 2012).

However, this low inflation rate (less than the ECB's annual target set at 2%) has alerted the eurozone to deflation risks.

HOUSEHOLD FOOD CONSUMPTION

Changes in household food consumption in 2013 (source: Eurostat)

	Eurozone	FR	BE	IT	ES	PT	NL	CH
Versus A-1	-1%	-0.1%	+0.8%	-3%	-4.6%	0%	-1.7%	+0.2%

In a climate of increased fiscal pressure, household consumption continued to fall in the eurozone, but this was less pronounced than in 2012. However, food consumption improved towards the end of the year.

AGRIFOOD INDUSTRY

Change in production volumes in 2013 (source: Eurostat)

	Eurozone	FR	BE	IT	ES	PT
Food industry	-0.3%	-2.2%	-0.2%	-0.2%	-1.2%	+2.1%

Production volumes for agrifood industries fell in the eurozone. There were a significant number of bankruptcies, accelerating the concentration of the sector.

Meat industries were particularly affected with the horse meat crisis impacting consumer confidence in Europe.

The agrifood segment was also marked by poor competitiveness in France and Belgium compared with their European neighbours. Spain, benefiting from lower labour costs, saw a recovery in its food production through exports (+10% on export). Similarly, Germany recently gained market share because of pressure on salaries.

The concentration of farming cooperatives (78 mergers, joint ventures or acquisitions in 2013) continued and the cooperative segment now represents 40% of the French agrifood segment.

MASS-MARKET RETAILING

There was a price war among retailers in 2013 designed to counter the fall in household consumption in Europe. In Spain, price has become the primary criteria for consumers' choices.
Hard discount lost ground in Europe with a decrease in market share (12.4% in October 2013 compared with 14% at its peak in 2009). This trend is the result of budget products developed by major retailers and the creation of new convenience stores.

NEW FORMS OF DISTRIBUTION ARE BEING ESTABLISHED

The internet channel continues to grow and online sales of grocery products (mainly food and drink products) should double by 2016 in five European markets, namely Great Britain, France, Germany, Switzerland and the Netherlands. The online market with a logistics chain which can diversify (drive, traditional e-commerce, internet order for delivery or collection the same evening, etc.) could become an alternative to physical stores and contribute to a strong demand for urban logistics solutions.

OUT-OF-HOME CATERING

Commercial restaurants have been affected by reduced consumer spending since 2008 and weakened by increased taxation.

While traditional restaurants continue to decline, snacks (train stations, motorway service areas, etc.), fast food and contract food catering are popular among consumers. In 2013, fast food outlets overtook traditional restaurants with a 52% market share in France (source: Gira Conseil). Chain restaurants are taking advantage of this situation to develop and benefit from the effects of the maturity of their logistics model in terms of productivity and costs.

TRANSPORTATION AND LOGISTICS

Weakened by the crisis, the road haulage market in Europe recorded a fall in activity of almost -12% between 2008 and 2012. The sector has been particularly affected by reduced consumption, fuel costs and competition from eastern European countries.

In this context, single business domestic operators have been weakened by the lack of recovery in volumes, middle-size operators have opted for alliance strategies in order to offset their sluggish markets and large international organisations have favoured operations outside western Europe. STEF is benefiting from its positioning on the niche agrifood markets and strengthening its European development in agrifood products consolidation and logistics.

STEF, A DYNAMIC THAT WITHSTOOD THE CRISIS

GROUP'S OPERATIONS IN 2013

AFTER A FIRST HALF-YEAR MARKED BY FAIRLY ADVERSE ECONOMIC CONDITIONS IN FRANCE AND A FALL IN FOOD CONSUMPTION, STEF GRADUALLY RETURNED TO GROWTH.

THERE WERE TWO MILESTONES IN THE GROUP'S LIFE IN 2013

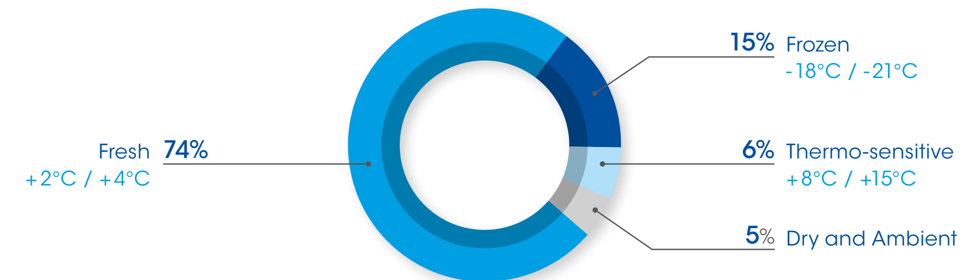
- the acquisition of the company EBREX France, a specialist in transportation and temperature-controlled logistics, on 1 October 2013. EBREX France recorded a turnover of €140 million in 2012 with a workforce of 1,000 people. It relies on a network of 21 operating sites. This acquisition has immediate synergies with STEF's business, due to the complementary nature of the consolidation networks of both entities and the possibilities for optimising transported volumes. EBREX's business also includes an important logistics contract for out-of-home catering;
- the renewal of the public service concession for providing services to Corsica, for a ten-year period.

BUSINESS SEGMENTS KEY POINTS IN 2013

- **Transportation France:** strengthening the network.
- **Logistics France:** developing the out-of-home catering market.
- **European activities:** improving profitability. European activities have become a true vehicle for growth in turnover and the Group's profit.
- **Maritime:** new public service concession.

STEF'S BUSINESS SEGMENTS

The activities making up the Group's core business (temperature-controlled transportation and logistics services) cover all temperature ranges.



THE GROUP IS ORGANISED AROUND FOUR OPERATIONAL SEGMENTS

The Transportation France division brings together in a single network under a single name, **STEF Transport** all the fresh and frozen transportation activities as well as the transportation of seafood products. This division also organises international transportation from France.

The **STEF International** division concentrates on domestic activities outside France, namely in Italy, Spain, Portugal, Benelux, Switzerland and Tunisia. The international division also covers European consignments.

Under the name **STEF Logistique**, the Logistics France division manages frozen, fresh, temperature sensitive and dry food products logistics services for manufacturers, retailers and out-of-home catering.

The Maritime division, **La Méridionale** provides a maritime passenger and freight transportation service between the continent and Corsica under a public service concession.

TWO CENTRES OF EXPERTISE COMPLETE THIS ORGANISATION

The IT systems division, **STEF Information & Technologies**, comprises specialist teams working on business and customer IT and management computing.

The Real Estate division, **Immostef**, manages the Group's property assets.

A WELL-ESTABLISHED PERFORMANCE

Normandy bridge

TRANSPORTATION FRANCE

EFFICIENT AND INNOVATIVE, THE TRANSPORTATION NETWORK HAS GROWN STRONGER YEAR AFTER YEAR IN ITS CORE BUSINESS: THE MASS TEMPERATURE-CONTROLLED DELIVERY OF AGRIFOOD PRODUCTS.

Faced with the challenges of reduced stocks from large retailers on the French market, manufacturers have had to resolve a complex logistics problem; lowering costs and improving service, especially by increasing delivery frequencies. The characteristics of fresh products and the constraints of their freshness put pressures on the flows, pressures that are even greater across a territory such as France.

The STEF Transport France network provides a well-adapted response to this issue of mass distribution:

- through its national and local coverage;
- through its ability to organise flows from different points to obtain the required level of mass distribution as soon as possible;
- through a delivery system that can offer a differentiated service corresponding to the requirements of consignee customers.

Carquefou

BUSINESS ACTIVITY TRENDS

At the end of December 2013, with the integration of EBREX, STEF Transport had 9,900 employees across 95 sites. The network uses a fleet of 4,400 vehicles (tractors and lorries), half of which it owns.

STEF Transport has an ongoing investment plan designed to strengthen the Group's positioning in terms of regional production and consumption areas. The opening of a new platform in Carquefou, near Nantes is part of this policy.

ANALYSIS BY SEGMENT

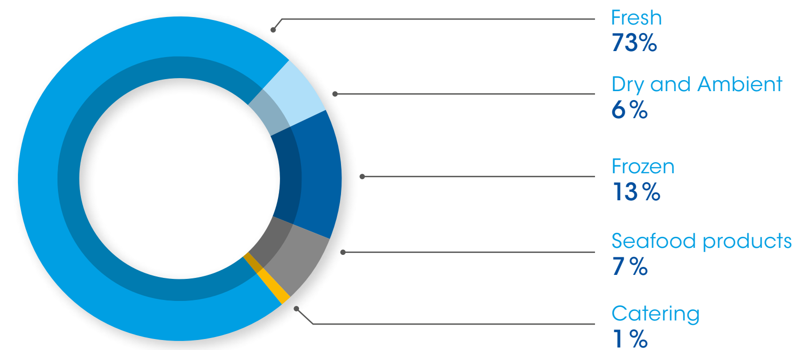
In 2013, the STEF Transport network successfully developed its market share in a generally unfavourable environment.

Sluggish business volumes, inclement weather and the effects of the horse meat crisis, which greatly impacted sales of ready meals, affected the Transport division's business in the first half-year. However, the trend improved in the second half of the year.

Two very different projects played an active part in the organisation of STEF Transport during the financial year:

- the Eco-tax project, for which STEF Transport was prepared, including significant work on regulating relationships with subcontractors, before this was eventually suspended by the government;
- preparation for the operational integration of EBREX, acquired in October 2013 before the merging of its consolidation network with STEF Transport's network, which took place on 13 January 2014.

STEF Transport's turnover, by segment is broken down as follows:



FRESH PRODUCTS TRANSPORTATION

The transportation of fresh products is STEF Transport's core business.

In light of the concentration of actors in the agrifood chain, especially the movements between cooperatives which continued in 2013, STEF Transport has provided appropriate solutions and differentiated itself by supporting these influential actors in their changes.

Through its response adapted to customers' demands for mass distribution but also retail delivery requirements, STEF Transport has maintained its business in this segment.

TEMPERATURE-SENSITIVE AND COMPATIBLE PRODUCTS TRANSPORTATION

This market is only partially dependent on temperature-controlled, but its actors are sensitive to the ability to handle consignments quickly. Customers are faced with the demands of retailers for lower stocks, and therefore more frequent supplies and just-in-time flows (reduced timeframes, increased delivery frequencies). The ability of STEF Transport's consolidation unit to deliver these products within 24 hours across the entire region opens up opportunities in this segment.

FROZEN PRODUCTS TRANSPORTATION

This market is in recession due to the trend of market operators.

However, these products are increasingly processed using techniques similar to those for fresh products. STEF Transport has therefore confirmed its position in this segment by gaining market share which, in 2013, enabled it to post a growth of around 5%, half of which was due to an external growth operation.

A particularly warm and sunny summer boosted ice cream sales.

SEAFOOD PRODUCTS TRANSPORTATION

This market seems to have reached a maturity threshold and the development prospects of this segment remain limited. In 2013, the consumption of seafood products in France fell (particularly in the supermarket segment which accounts for 70% of the market in tonnage) because of a decline in resources for some product types.

In this context, the development priorities will result from a restructuring of the services offer and the acceleration in upgrading the mixed seafood/frozen operating facilities together with the creation of European partnerships where STEF Transport will act as a benchmark operator.

CATERING TRANSPORTATION

STEF's logistics activities on the out-of-home catering segment have developed through the strong use of the transportation network, both upstream of the Group's warehouse for their provisioning and downstream, in order to serve customer delivery points. STEF Transport's local distribution network is particularly well-placed to address this issue.

The growth in the catering logistics business has benefited the transportation network, which carried out significant integration work in 2013 to adapt its offer and satisfy the requirements of customer catering chains.
2013 was marked by the implementation of an accredited delivery network designed for these chains, using a customised, specific process.

A YEAR OF TRANSFORMATION

LOGISTICS FRANCE

IN FRANCE, STEF LOGISTIQUE MANAGES 2,903,000 M³ OF NEGATIVE TEMPERATURE WAREHOUSE SPACE AND 1,700,000 M³ OF LOGISTICS PLATFORMS SPACE FOR FRESH AND AMBIENT TEMPERATURE PRODUCTS.

On 31 December 2013, after the integration of EBREX's foodservices business, its operation had 87 sites and 3,400 employees.

IN FRANCE, STEF LOGISTIQUE HANDLES FOUR TYPES OF ACTIVITY

- global logistics for mass distribution for frozen, fresh and temperature sensitive products for all operators in the agrifood chain;
- dedicated logistics for supermarket and hypermarket chains;
- dedicated logistics for the needs of foodservices in general and commercial restaurant chains in particular;
- proximity logistics for manufacturers or retailers.

BUSINESS ACTIVITY TRENDS

2012 was a year of conquests and acquisition of market share. 2013 was marked by several initiatives to adapt the operational process, primarily for foodservices and supermarket activities , as well as by an effort to improve performance during the second half of the year.

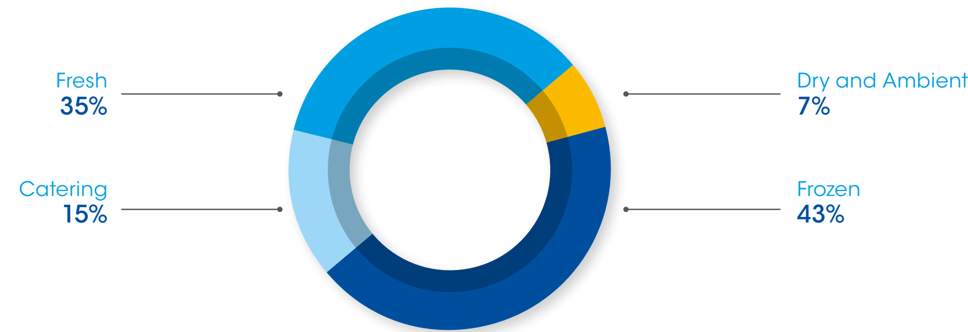
Benefiting from deferred effects and good commercial momentum, turnover maintained a steady growth against a backdrop of sluggish consumption.

During 2013, STEF Logistique demonstrated its ability to manage significant change operations:

- the reconfiguration of the "Out-of-home catering" facility in Ile-de-France;
- the establishment of a new logistics site for a larger retailer. These operations were managed while ensuring a high service level.

Finally, STEF Logistique was involved in integrating EBREX's out-of-home catering logistics activities into its scope.

STEF Logistique's turnover, by segment is broken down as follows:



FRESH AND TEMPERATURE SENSITIVE PRODUCTS LOGISTICS

STEF Logistique's activities in this segment are growing faster than the market. This growth is evidence of the relevance of STEF Logistique's positioning, suited to the current needs of its customers to control logistics costs in a context of declining consumption.

SUPERMARKET AND HYPERMARKET LOGISTICS

This activity contributes to the operational performance of the retail chains that use it. This expertise primarily focuses on fresh products logistics for just-in-time deliveries, but also on frozen product logistics by stored consignments.

The volumes handled in this division are an excellent indicator of consumption trends. In 2013, volumes remained stable, at constant scope.

OUT-OF-HOME FOODSERVICES LOGISTICS

STEF Logistique's positioning on this market is highly specific. This segment targets commercial restaurant chains. It does not include mass catering categories and "CHR" (cafés, hotels, restaurants).

Through its "multi-chain" offer, STEF brings a new dynamic to the process of supplying restaurants which connects the supply environment with restaurants' requirements.

STEF's commitment to penetrate this market and the market's response to this new offer have generated a strong growth in turnover (+47.8%) and resulted in the acquisition of market share and external growth.

The rapid growth has led to the need for the operational process to be adapted, particularly in Ile-de-France. This change will be spread over two years, with the construction of a purpose-built building in the south of Ile-de-France.

FROZEN PRODUCTS LOGISTICS

The frozen products market has been sluggish for a decade. Nevertheless, it is changing, Year after year. In this context, STEF Logistique has adapted its system by developing an offer for grouping flows over consumption zones (stocks closest to consumers) and by streamlining its system to provide local services suited to its customers' needs. Improving its performance on a sluggish market with inflationary components (salaries, energy and property costs) is still a major priority for the future.

AN INCREASINGLY EFFICIENT EUROPEAN NETWORK

Erasmus Bridge - Rotterdam

STEF INTERNATIONAL

THE SCOPE OF STEF INTERNATIONAL INCORPORATES ITALY, SPAIN, PORTUGAL, SWITZERLAND, THE BENELUX COUNTRIES AND AN INTERNATIONAL CONSIGNMENT BUSINESS.

Tavazzano

Valencia

The networking of domestic markets is gradually developing and enabling STEF International to consolidate its position as a leading temperature-controlled logistics and transportation company in the countries where it operates.

Despite the slight recovery observed in the second half-year, STEF International experienced low growth in 2013 (+1.7%).

In this situation, the priority was to improve performance. This was achieved through a sustained sales effort among mid-market customers and by improving the quality and effectiveness of the consolidation networks in Italy and the Iberian Peninsula.

This policy led to:

- a very significant recovery in Italy's results;
- improved results on the Iberian Peninsula;
- the consolidation of the results from activities in Switzerland and inter-country consignments.

There were two acquisitions in 2013: the first in Switzerland, in Kriens near Lucerne (warehouse of 22,000 m³) and the second in northern Spain at Burgos (warehouse of 38,000 m³). Both satisfy the objective of being based in regions where the Group does not have a direct presence, consolidating its positions with manufacturing customers.

ITALY

2013 marked the return to profitability for STEF's facilities in Italy which have taken advantage of the synergies implemented in 2012 with the acquisition of Dispensa (STEF Logistics Italia) and the results of the performance plan for STEF Italia which aimed to improve the quality and effectiveness of the domestic transportation network.

This process has enabled STEF Italia to pursue a proactive policy across its business, focused on developing its mid-market customer base.

Furthermore, STEF Italia has continued to streamline its organisation by identifying two balanced operating divisions, transportation and logistics, effective from 1st January 2014.

STEF Italia has bolstered its strategy to become the benchmark operator in fresh products consolidation and logistics across Italy. There are real prospects for the future in this country where the potential to outsource logistics activities remains high.

SPAIN

The domestic Spanish market remained very weak in 2013 with a fall in consumption volumes and intensified competition on the price of services. Consignors, in the search for economies of scale, restructured their logistics models, leading to the loss of two significant contracts in logistics and transportation organisation for STEF Iberia. The occupancy rate for frozen warehouses was less than 70% at the end of 2013.

In this context, the teams focused their efforts in two areas: a rigorous policy of cost control and stronger sales initiatives, particularly on the mid-market segment thus enabling STEF Iberia to preserve the economic performance of its activities. However:

- the competitiveness of the Spanish agrifood industry was reflected by a strong growth in STEF Iberia's international consolidation activities (+30%);
- if the first signs of recovery in the country in the last quarter are confirmed in 2014, STEF Iberia will return to growth, especially if it capitalises on the groundwork laid in in 2013 to strengthen the domestic consolidation network.

PORTUGAL

As in Spain, the Portuguese domestic market, did not recover in 2013.

In this context, the performance of catering logistics activities, acquired in 2012 and the improvement in profitability of domestic consolidation operations have helped withstand the strong competition and pricing pressures affecting the market in 2013. Agreed pricing concessions have negated the positive effects of the sales growth maintained throughout the year.

SWITZERLAND

In 2013 STEF Switzerland consolidated its operational scope by establishing itself in German-speaking Switzerland through an agreement with the leading Swiss producer of dairy products.

This agreement aims to distribute its ice creams in Switzerland, in addition to the acquisition of its warehouse in Kriens, near Lucerne.

BENELUX

The purpose of the Saintes (Brussels) grouping and co-packing logistics warehouse is now confirmed by an important logistics services contract for dairy products, strengthening the business already handled on this site.
The transportation business' result was penalised by the large drop in consolidation activities of two Dutch customers.

INTERNATIONAL FLOWS

STEF Eurofrischfracht handles flows from Germany to France and the Iberian Peninsula. In 2013, it continued to benefit from the strong momentum of German exporters.

Stefover specialises in flows between Europe and North Africa (Tunisia, Algeria) via the port of Marseille. The business is affected by the political and economic instability of the countries in which it operates.

SUSTAINED SUCCESS FOR A RELEVANT STRATEGY

MARITIME

SINCE 1976, LA MÉRIDIONALE HAS PROVIDED A REGULAR PUBLIC MARITIME PASSENGER AND FREIGHT SERVICE BASED ON THE USE OF PASSENGER-CARGO VESSELS BETWEEN THE PORT OF MARSEILLE AND THE PORTS OF CORSICA AS PART OF A PUBLIC SERVICE CONCESSION.

The Piana

The sea links between the Continent, Corsica and Sardinia are provided using 3 passenger-freight roll-on/roll-off vessels out of Marseille: the Piana, Kalliste & Girolata, the total capacity of which is 6,800 linear metres, i.e. the equivalent of 500 trailers and 1,900 passengers with their cars. The provisional schedule of activity includes over 1,000 annual crossings.

2013 was marked by the awarding of a new public service concession for providing services to Corsica for a ten year term and covering the 2014-2023 period. This concession was jointly awarded to La Méridionale and its long-term partner by the Corsican authorities after an international tender.

This success confirms the relevance of La Méridionale's strategic decision to operate exclusively with passenger-freight roll-on/roll-off vessels offering freight and passenger services and to differentiate itself through a real quality of service for both passengers and its shipping customers.

In 2013, total freight and passenger traffic between Corsica and the continent saw a change: -4.7% for passengers and -2.7% for freight. Furthermore, traffic at the port of Marseille fell (-9.4%) while that in Toulon, driven by an over-abundant supply and low prices, increased by 17.8%.

However, La Méridionale has withstood this situation:

- passenger activity grew by 3.1% with 260,000 passengers between Marseille and Corsica and 15,000 passengers between Marseille and Sardinia. This performance is credited to communication initiatives, the premium positioning of the service offer on board vessels and dynamic price management;
- freight activity declined, but the fall in the number of linear metres was limited to 3.7% with 700,000 metres transported. La Méridionale strengthened its leading position in the ports of Bastia and Ajaccio, via Marseille.

The results include the capital charges for the Piana, commissioned in 2012 and the increased maintenance expenses for vessels related to the extension of their duration of use. The vessel the Scandola is chartered until February 2015.

INVESTMENTS FOR GREATER EFFICIENCY AND SECURITY

INFORMATION SYSTEMS

STEF INFORMATION ET TECHNOLOGIES (STEF IT) DEVELOPS COMPUTER SOFTWARE, INTEGRATES AND MAINTAINS THE GROUP'S INFORMATION SYSTEMS IN ORDER TO SUPPORT IT IN THE CUSTOMER CHALLENGE AND CONTRIBUTE TO THE PRODUCTIVITY OF THE BUSINESS DIVISIONS.

STEF IT is responsible for the standardisation, integration and deployment of business and management systems for all the Group's activities in Europe. It provides reliable information for the management of physical and information flows.
It also produces business solutions for STEF's customers, manufacturers and retailers in the food segment.

SECURITY OF PHYSICAL INFRASTRUCTURES

STEF IT's role is to secure the operation of the infrastructures and applications used by the Group. In 2013, STEF acquired the latest, highly secure hardware architecture. Furthermore, STEF IT improved its security in several areas: by strengthening the operational requirement for solutions offered by suppliers and by enhancing the testing standards for software solutions and verifying all functional areas of the business recovery plans.

SUPPORTING THE EFFICIENCY OF THE GROUP'S DIVISIONS

In the field of transportation, efforts were focused on managing the traceability of consignments. In 2013, a standardised management application for the after-sales service was implemented across Europe. M-Track, an embedded computing tool guaranteeing the traceability of delivery operations, was deployed in France after Spain and Portugal.

Along with the CRM (Customer Relationship Management) project, STEF has embarked upon a vast data standardisation and customer relationship management programme. The objective is to provide solutions to the sales teams for managing customer relationships on a secure and standardised database, throughout Europe. The programme to standardise the Group's data repository continued with the deployment of management modules for the sales forces and marketing campaigns in two European countries.

Furthermore, the Transport information system was adapted in anticipation of the introduction of the Green Eco-tax and with a view to the integration of EBREX in October 2013.

In logistics, the warehouse management software (WMS) was used to standardise operational methods and reduce maintenance costs. It was installed on frozen products sites and customer sites operating fresh and mixed flows in France, Belgium and Italy. A mass supply management solution was implemented with hyper- and supermarket companies. The deployment of the sales and logistics management solution, Agrorest, designed for the mass catering business continues in France.

ADMINISTRATIVE MANAGEMENT AND PRODUCTIVITY

Finally, STEF IT is implementing tools designed to improve the security and productivity of administrative operations within the Group (compliance with the SEPA European standards, paperless tax solution for invoices, improvement of purchase management, optimisation of handling equipment, road vehicles and property assets).

The Group has launched a proactive management project for its contractual commitments regarding its customers and suppliers with the deployment of a computerised contract management software package (contract library).

ENERGY-SAVING OPERATING FACILITIES

Carquefou

PROPERTY

PROPERTY ASSETS

STEF systematically looks to own its property, warehouses and platforms. This policy is in line with a strategic approach to property assets, since STEF's business depends heavily on the quality and adaptability of its facilities.

The Group uses a European network of 235 warehouses and platforms, for a total warehouse volume of 6,425,000 m³ and a total distribution platform area of 458,500 m². Almost all of these buildings are owned by the STEF Group, which also owns office buildings, including its head office.

Many buildings owned by the Group are held in a dedicated structure Immostef, which also manages all the Group's property assets.

PROPERTY MANAGEMENT

In addition to its property management activities, Immostef's workforce and expertise concern technical construction, maintenance and management of operating facilities used by STEF's companies.

The Group's different divisions require controlled and constant temperatures regardless of external temperatures which means an extremely reliable design and maintenance of the technical cold production facilities incorporated in the buildings.

The new buildings meet several requirements: the need to redevelop former sites, improve logistical and technical performance, in particular with regard to energy and growth in volumes and consignments carried.

Immostef is also involved in improving former operating sites, that have become obsolete, some of which are sold after obtaining new building permits and being assigned to other uses. In 2013, three sites in France were sold (Saint-Jean-de-Braye near Orléans, Quimperlé and Nantes).

MAIN PROJECTS DELIVERED IN 2013

- transportation platform in Carquefou (Nantes), with a surface area of 6,500 m² and comprising 26,500 m³ under positive and negative temperatures; this new building is designed to handle the consolidation and urban distribution of fresh and frozen food products.
- tri-temperature warehouse in Nemours (77), with a total surface area of 7,840 m² and 45,640 m³ under positive and negative temperatures; this new building is designed to handle the supply of provisions to the French army.

Nemours

Nemours

- acquisition and renovation of a transportation site in Ifs (Caen), with a surface area of 5,420 m² and 27,000 m³ under positive and negative temperatures in order to complete the transportation system for fresh and frozen seafood products in the northern Normandy region.
- acquisition and modernisation of a frozen warehouse in Kreins (German-speaking Switzerland), with a volume of 21,850 m³ under negative temperatures;
- acquisition of EBREX's twelve operating sites.

PROJECTS STARTED IN 2013

Several other building projects representing a total capacity of 20,000 m² and 250,000 m³ were started and will be delivered in 2014. They are located in Vitry-sur-Seine, Corbas (East Lyon), Bischheim (Strasbourg), Fauvernay (Dijon) and Brignais (West Lyon).

SITE MAINTENANCE AND REDEVELOPMENT

In addition to the aforementioned sites, STEF has earmarked a substantial investment expenditure budget to maintain and modernise its buildings and technical facilities (€48 million in 2013). These costs include the programme to replace R22-type HCFC refrigerants with natural fluids such as ammonia and CO_2. In accordance with European regulations, this conversion will be completed by late 2014.

ENERGY PERFORMANCE CERTIFICATE

In 2012, Immostef introduced the "Energy Performance Certificate" This provides a summary of the energy audits performed on the sites, declaring electricity consumption and potential savings to be made. This was deployed across around fifty sites in 2013.

Furthermore, Immostef has begun to implement an energy management system (ISO 50 001 certification).

THE ENVIRONMENT
CENTRAL TO OUR PRIORITIES

SUSTAINABLE DEVELOPMENT

REPORTING METHODOLOGY

The information on the environmental, social and societal impact of STEF's business are published in accordance with the obligations arising from Article 225 of the Grenelle 2 law and Article R.225-105-1 of the French Commercial Code.

SCOPE

In 2013, quantitative and qualitative environmental information was provided about the Group (France and European countries – excluding Great Britain).

In 2013, social information, including the workforce at 31 December and its variations was provided about the Group. In other indicators, specific and irrelevant data from the company EBREX, acquired in October 2013, data from Great Britain[1] and from the Compagnie Méridionale de Manutention (CMM), was excluded. Apart from these basic rules, the differences in scope are specified for the relevant indicators.

1. Given the small size of STEF's facilities in this country. Furthermore, from January 2014 they no longer form part of STEF's scope.

Les Essarts

Les Essarts

SELECTION OF REPORTING INFORMATION AND INDICATORS

The information was selected for its relevance with regards STEF's main environmental and social impacts, given its core business and the challenges of Corporate Social Responsibility (CSR) identified as strategic for the Group. These indicators allow the results of its action plans to be measured.
On the one hand, STEF's activities are unlikely to affect the ground on which the platforms are located and on the other hand, they do not justify accounting for provisions for environmental risk.

COLLECTION AND CALCULATION OF INFORMATION

The methods for reporting the information are defined in an internal protocol (annually, over 12 months of the calendar year) from datasheets describing the methods for calculating, collecting and checking the CSR indicators.

EXTERNAL AUDIT

The information related to the requirements of Article 225 of the Grenelle 2 law and Article R.225-105-1 of the French Commercial Code was audited by an independent third party organisation.

ANTICIPATION OF REGULATION AND ENERGY OPTIMISATION OF FACILITIES

ENVIRONMENT

SUSTAINABLE DEVELOPMENT ORGANISATION AND POLICY

STEF's sustainable development policy is fully incorporated in the Group's governance and is considered to be a source of competitiveness and differentiation on the markets where STEF operates. It is managed by a strategic committee with representatives from all operational and functional divisions, which sets guidelines and validates action plans, the results of which are monitored by the Sustainable Development Department.

The priorities of this policy form part of the Group's medium-term strategic plan and focus on:

- measuring and reducing the environmental impact of refrigerated transportation and logistics;
- developing innovative, effective and sustainable business solutions for the performance of the Group and its customers;
- strengthening the Group's social responsibility model.

The policy deployed is built on anticipating regulations, optimising the energy efficiency of equipment and facilities and implementing operational practices designed to improve the economic and environmental performances of activities.

MEASURING AND REDUCING THE ENVIRONMENTAL IMPACT OF REFRIGERATED TRANSPORTATION AND LOGISTICS

MEASURING THE CARBON FOOTPRINT

STEF has two CO_2 calculators certified by Bureau Veritas Certification, enabling it to provide its customers with:

- the carbon footprint for the transportation services with a loading or unloading point in France;
- the carbon footprint for the logistics services carried out on their behalf.

OBJECTIVE: - 8% OF CO_2

REDUCING THE CARBON FOOTPRINT OF TRANSPORTATION ACTIVITIES

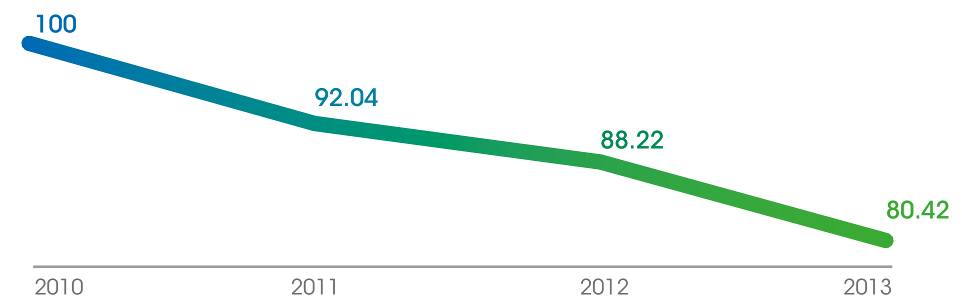
In 2009, STEF Transport signed the "Charter of voluntary commitments to reduce CO_2 emissions by road haulage companies", put forward by ADEME. This commitment has been renewed for the 2012-2014 period with the objective of reducing CO_2 emissions by 8% (g CO_2 in tonne-kilometres).

STEF is constantly refining how it measures its carbon footprint by estimating CO_2 emissions related to the transportation subcontracting of its French activities.

CHANGE IN g OF CO_2/TONNE-KILOMETRE

The reduction in emissions is mainly related to the continued improvement in the organisation of transportation and distribution flows and average occupancy rates of vehicles. Between 2012 and 2013, kilometres travelled decreased by 5.7% and tonnages delivered increased by 2%.

Change in gCO_2/ t.km - base 100 in 2010 – STEF Transport France



REDUCING THE ENVIRONMENTAL IMPACTS OF INPUTS

STEF continued its efforts to reduce the carbon footprint related to its business.

Its actions focus on reducing energy consumption (platforms, vehicles and ships), reducing its water consumption (cooling towers and washing vehicles) and developing its waste management policy.

- 5.7% OF KM TRAVELLED

VEHICLES

REDUCING FUEL CONSUMPTION

A fleet of regularly-replaced tractors and lorries combined with the monitoring of the drivers' training plan have helped optimise the fuel consumption of vehicles.

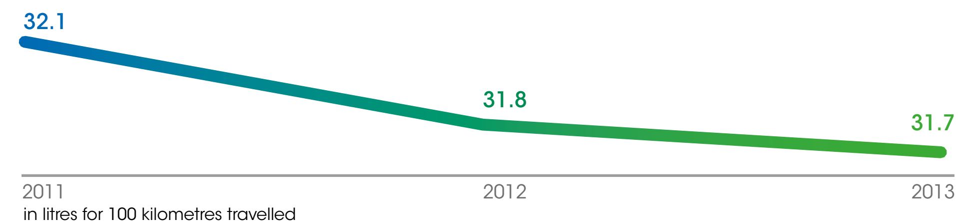
Continued experiments on the use of onboard cryogenics[2] should eventually lead to a decrease in off-road diesel consumption, while reducing the noise pollution caused by the activity.

The main actions used to achieve these gains are:

- the modernisation of the fleet and adaptation of vehicles, in cooperation with suppliers;
- specific driver training courses (eco-driving and good practices related to temperature-controlled transportation).

2. Cold production by direct expansion of a cryogenic fluid (carbon dioxide, nitrogen).

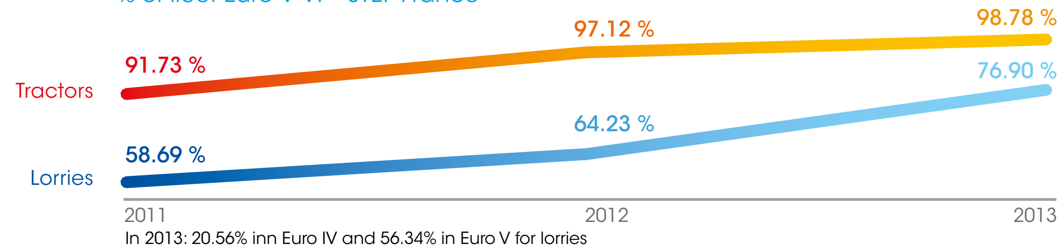
Changes in tractor consumption – STEF Transport France



REDUCING POLLUTANTS

Wanting the most environmentally-friendly fleet for the transportation of food products, STEF regularly replaces its own fleet of tractors and lorries.

% of fleet Euro V-VI – STEF France



CRYOGENIC COLD

The experiment using this alternative technology instead of mechanical cooling is continuing at one of STEF's urban distribution bases. The expected results are a quality cold production that will provide a significant reduction in the environmental impacts related to the business (CO_2 emissions and noise pollution), while ensuring a high level of economic competitiveness.

All Ecoactors!

WAREHOUSES AND PLATFORMS

ENERGY-SAVING SITES AND SITES INTEGRATED INTO THEIR SURROUNDINGS

The dedicated subsidiary, Immostef, manages the design, construction and maintenance of the Group's warehouses and platforms by constantly improving their energy efficiency.

With this in mind, the ongoing "Eden" programme incorporates:

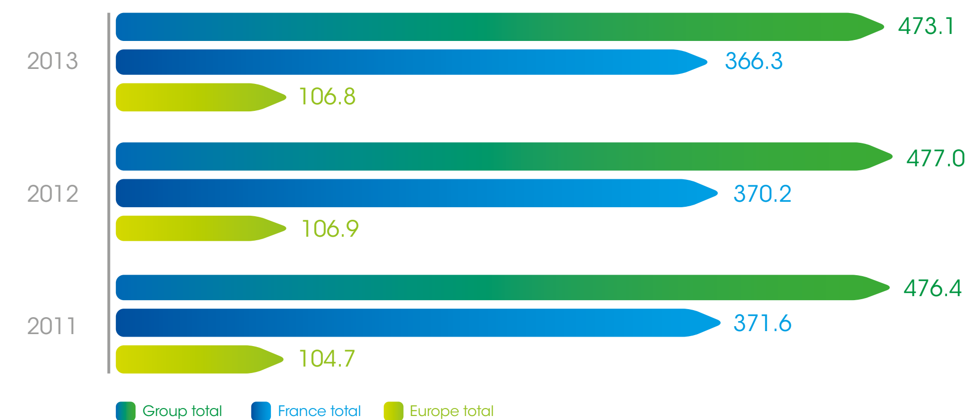
- energy audits and action plans (technical and managerial);
- the use of the most energy efficient technical solutions.

These solutions have led to a steady reduction in electricity consumption at STEF's facilities.

Despite the development of the Group's business, STEF has kept it energy use under control through continuous monitoring of its consumption and energy saving plans.

The increase in consumption observed outside France between 2011 and 2013 was essentially due to the increase in scope.

Changes in energy consumption Europe - (GWh)

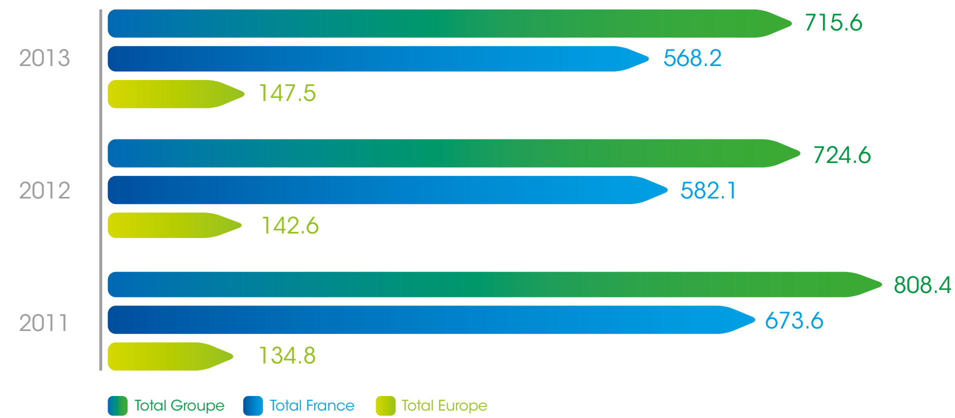


REDUCING WATER CONSUMPTION

The water for STEF's facilities in France comes from the city supply (86.5%) and boreholes (13.5%). Water consumption depends largely on the number of air-cooling towers (ACT) needed to run the refrigerated facilities and the washing of operating vehicles.

Processes designed to reduce consumption are automatically implemented with each new construction (rainwater harvesting, condensation methods with low water consumption, etc.).

Evolution in water consumption Europe - (km³)



NATURAL FLUIDS 51.5%

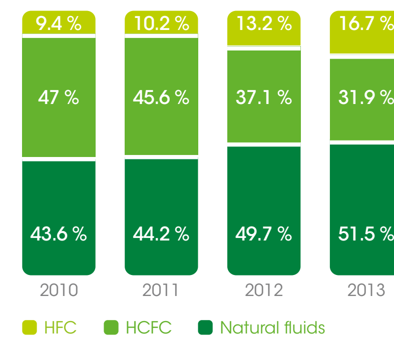
CONVERTING REFRIGERATED FACILITIES WITH NATURAL REFRIGERANTS

STEF is continuing with the conversion plan for its refrigerated facilities that use HCFC-R22 fluids.

The new facilities coming into service are mainly:

- operated using natural fluids (ammonia and carbon dioxide), in the case of negative cold facilities (storage warehouses);
- operated with MEG (monoethylene glycol) cooled by facilities that use HFC-R134a with low levels of refrigerant, for positive cold facilities (transportation platforms). The conversion works will continue and be completed in 2014, the deadline established by the European regulation for compliance with standards.

STEF France refrigerants



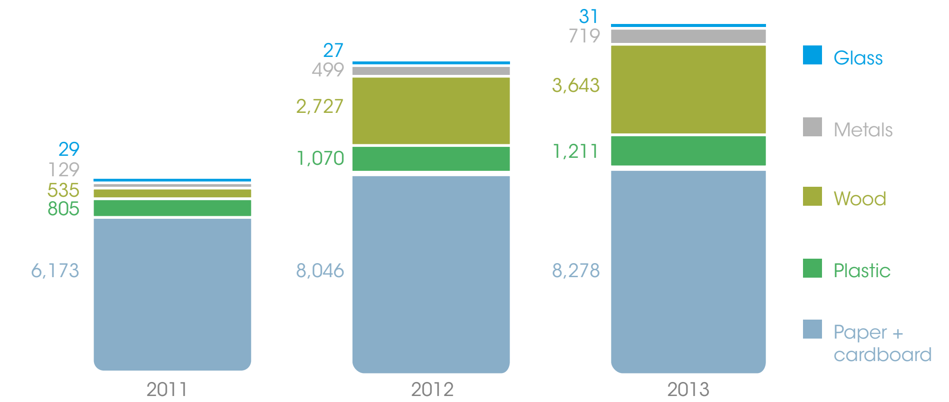
WASTE MANAGEMENT AND SORTING FOR RECYCLING

STEF has deployed a waste sorting process in order to recycle non-hazardous waste (NHW: paper, cardboard, cellophane packaging, wood, metals and glass) across all its European sites. Hazardous waste (HW)[3] is treated through the approved channels.

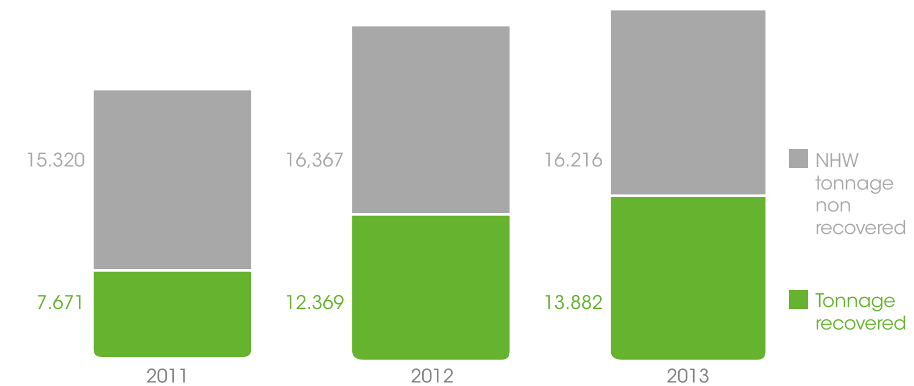
At the end of December 2013, the waste sorting procedure had resulted in the recycling of 46% of the waste generated, which was 13,882 tonnes.

3. Refrigerants, cooling liquids, used lubricants, PCB/PCT.

Breakdown of recycled waste (in tonnes)



Volume of waste (in tonnes)



MARITIME

Particularly concerned with protecting the environment, the ISO 9001 and 14001 certified La Méridionale is continuing the processes that it began several years ago.

La Méridionale is ensuring that it optimises the navigation speed of its vessels to improve engine performance and reduce fuel consumption. It is involved in the Airclair[4] research programme. Particular attention has also been given to equipment operation during ports of call and reducing its consumption resulting in a fall of 5.22% in the specific consumption of vessels between 2012 and 2013.

La Méridionale received the first Blue Charter Trophy awarded by the professional organization, Armateurs de France, an award which marks the quality of La Méridionale's commitments for its more environmentally friendly maritime transportation.

4. A programme which aims to optimise engine speeds depending on the quality of the fuel, measured in real-time.

The Piana

TRANSPORTATION AND LOGISTICS SOLUTIONS

In order to reduce the environmental impact of the cold logistics chain activities, STEF has developed transportation and logistics solutions for grouping and optimising consignments with its customers and partners.

OPTIMISING AND INCREASING THE DENSITY OF TRANSPORTATION FLOWS

STEF's consolidation network in France is used for the constant optimisation of transportation flows and grouping of inventories. In order to do so, STEF has adapted its operating facilities by developing innovative practices (reducing empty kilometres, grouping of shipment points, consignment management centres, using double-decker semi-trailer vehicles, etc.).

MODAL TRANSFER

STEF is continuing its research into alternative solutions to "road-only" and is developing partnerships with modal transfer organisations and some of its customers.

Every year, STEF therefore experiments with new modal transfer, rail-road and river plans.

Furthermore, STEF is associated with the company Froid Combi, which operates on this segment between Avignon and Perpignan, to Paris and Lille, with mobile crates.

URBAN LOGISTICS

The issues of urban traffic congestion, pollution (air quality, noise...) and consumers returning to shopping locally are pushing local authorities to reevaluate distribution means in city centres.

Since it is involved in the distribution of temperature-controlled food products, STEF has started discussing these issues with some public authorities.

Within this framework, STEF is experimenting with technologies designed to reduce the environmental impacts related to:

- alternative fuels (hybrid, electric vehicles...);
- noise (PIEK standards, Certibruit...);
- cold production (cryogenics).

These works are reflected by changes in the organisation of city-centre deliveries.

INVOLVEMENT OF SUPPLIERS AND SUBCONTRACTORS

Along with its suppliers, STEF researches solutions that will allow it to reduce the environmental impact of its activities:

- drive chain for vehicles;
- experiments by production groups on cryogenic cold;
- development of refrigerated trailers.

STEF has started a discussion process to develop a sustainable outsourcing policy, which will include standards for good business practice and involve its transportation subcontractors.

PEOPLE AS A VALUE FOR PROGRESS

SOCIAL POLICY

The priority commitments of the STEF Group's human resources policy cover three areas:

- social dialogue;
- developing employees' skills and strengthening internal management resources;
- the programme related to Health and Safety at Work (HSW).

GROUP WORKFORCE AT 31 DECEMBER 2013

At 31 December 2013, the Group's workforce (permanent and fixed term employment contracts) totalled 15,490 employees, which is an increase of 990 people (+ 6.8%) compared with December 2012[5]. This increase in the workforce was mainly due to the integration of EBREX. At constant scope, the workforce remained steady.

These figures do not take into account assisted contracts (primarily apprenticeship and professionalisation contracts) which accounted for 239 people at 31 December 2013 or temporary staff, the number of which rose significantly compared with 2012 (3,408 against 2,961)[6]. Including all contract types, the Group's workforce increased by 10% over the period.

5. The special status of "casual workers" in the maritime division (Compagnie Méridionale de Manutention) is considered here with temporary workers (20.5 full-time equivalent (FTE) in December 2013).

6. Number of temporary hours worked during December 2013/151.67.

WORKFORCE BY DIVISION

Permanent and fixed term employment contracts	31/12/2011	31/12/2012	31/12/2013
Transportation France (STEF Transport)	7,530	7,463	8,356
Logistics France (STEF Logistique)	3,215	3,352	3,426
European activities (STEF International)	2,350	2,621	2,652
Maritime (La Méridionale, mainly)	475	532 [7]	510
Other activities and central functions	545	532	546
GROUP TOTAL	14,115	14,500	15,490
• of which EBREX (transportation and logistics)			1,019

7. Suspended or long-term sick employees are excluded from this figure.

WORKFORCE BY COUNTRY

	31/12/2011	31/12/2012	31/12/2013	2012/2013 Change
Workforce France	11,774	11,914	12,877	8.1%
Workforce outside France, of which:	2,341	2,586	2,613	1.0%
• Spain	1,225	1,261	1,228	- 2.6%
• Portugal	303	440	425	- 3.4%
• Italy	425	489	520[8]	6.3%
• Belgium	278	289	317	9.7%
• United Kingdom	41	34	33	- 2.9%
• Switzerland	69	73	90	23.3%
GROUP TOTAL	14,115	14,500	15,490	6.8%

8. Italian "assisted" permanent and temporary employment contracts were included in the workforce in 2013.

While overall, the workforce of the international division increased, trends varied greatly depending on the country and business activity trends.

WORKFORCE BY GENDER

Across the Group, at the end of 2013, women accounted for 19.7% of the workforce compared with 20.4% in 2012[9]. This change can be explained by the integration of EBREX's workforce, which included less women than the Group's average (11.9%).

The share of female employment varies greatly depending on the country.

9. For Belgium, the number of women in the workforce in 2012 was reconstituted from the 2013 workforce.

Percentage of women in the workforce

France	Spain	Portugal	Italy	Belgium	Switzerland	United Kingdom	Total
18.4%	28.8%	25.6%	34.2%	11.7%	7.8%	24.2%	19.7%

WORKFORCE BY CATEGORY

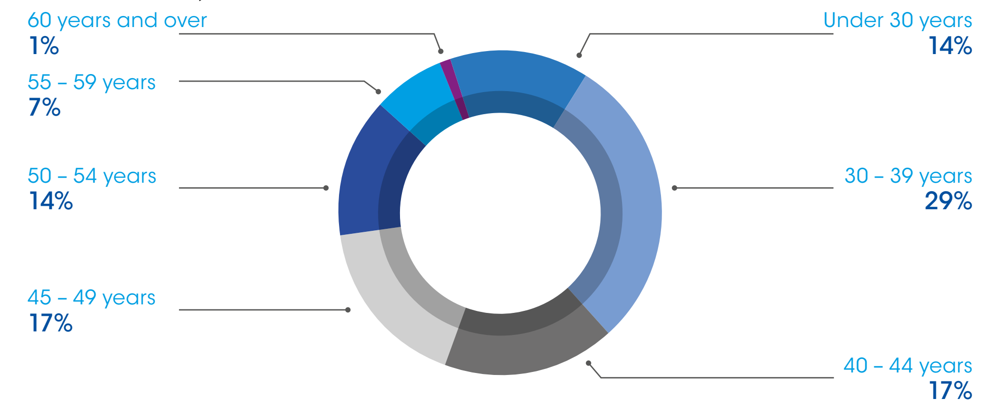
The structure of the workforce by category has remained steady over the last three years. This breakdown is largely affected by the French characteristics since outside France, employees classed in the "executives" category account for just 2.9% of the workforce.

Categories (EUROPE)	2011[10]	2012[11]	2013
Executives	10.0%	11.1%	11.1%
Advanced and Proficiency skills	17.9%	17.8%	17.9%
Employees	14.8%	14.6%	14.0%
Manual workers	57.3%	56.5%	57.0%
• of which transit staff	22.8%	21.2%	23.0%
• of which sedentary workers	34.4%	33.2%	32.3%
• of which seagoing workers	0.0%	2.0%	1.7%

10. Excluding CMM and Great Britain For the Benelux countries, the workforce by category in 2011 was reconstituted from the 2013 workforce.
11. For Belgium, the workforce by category in 2012 was reconstituted from the 2013 workforce.

WORKFORCE BY AGE BRACKET

At 31 December 2013, the Group's workforce (permanent and temporary employment contracts) was broken down as follows:



The low turnover (see below) and higher age brackets of the EBREX workforce (69% of the workforce are over 40), explains the upward shift in the workforce by age bracket.

Across Europe, the situation varies depending on the country. In Portugal, 66% of employees are below 40, while this category accounts for 42.3% of the French workforce.

STAFF TURNOVER

In 2013, staff turnover[12] was 6.7%. This relatively low rate is explained by the company's social policy and by the economic situation with the resulting tensions in the labour market.

- permanent appointments 907 new appointments or promotions, including 751 in France (941 in France in 2012);
- 936 departures including 781 in France (735 in France in 2012); These figures include, in comparable proportions to 2012, retirements or pre-retirement leave – scheme available to drivers satisfying the age and length of service criteria – (183 people), conventional dismissals or exits from the scope and redundancies.

12. Permanent contract employees (new appointments and departures)/2/workforce at 1 January 2013, including takeovers and transfers, excluding EBREX.

REMUNERATION

STEF's remuneration policy is structured around three areas:

- the annual salary, reviewed every year in line with negotiations in each subsidiary;
- a variable component, depending on the achievement of qualitative and quantitative objectives, such as incentive bonuses and profit sharing within each subsidiary in France;
- benefits such as health benefits.

In 2013, payroll[13] increased by 1.1% compared with 2012 for an actual growth in the workforce of 0.4%[14] on average.

This average discrepancy of 0.7 points can be explained by the outcome of annual negotiations, the increasing seniority within the Group and the strengthening of structures and skills.

13. The "Staff remuneration" account, no. 641 of the General accounting plan, which includes salaries, leave, bonuses and benefits (excluding length-of-service awards payable on retirement).
14. Average end of month workforce permanent and temporary employment contracts, excluding Italy and La Méridionale where the calculation is in FTE.

WORK ORGANISATION

The Group complies with the principles laid down by International Labour Organisation conventions.

The organisation of work is consistent with the business. So, 17.4% of hours worked are at night, particularly within the transportation business, where deliveries must be made before stores open[15].

15. Excluding La Méridionale, where working time is governed by specific rules and shift work.

Rate of night hours

France	Spain	Portugal	Italy	Belgium	Switzerland	Total
19.9%	6.2%	15.2%	5.5%	18.2%	0.0%	17.4%

There is no shift work.

Absenteeism due to illness or accident at work[16] was steady at 4.9% compared with 4.8% in 2012. Work is taking place to prevent accidents at work, as part of the "Health and Safety at Work" programme (see below).

16. Including occupational diseases and commuting accidents, excluding maternity/paternity leave; all contract types included, except for La Méridionale where interns (assisted contracts) are excluded. The ratio is: calendar days lost by number of theoretical calendar days.

In Italy, the calculation is in working days; data from the company STEF Logistics Italia, integrated in 2012 was not included in the 2012 indicator. For La Méridionale, the number of theoretical calendar days is based solely on appointments-departures.

HEALTH AND SAFETY AT WORK

Health and Safety at Work (HSW) is an important strategic priority for the Group which has established dedicated resources and structured training programmes for employees and initiatives to raise the awareness of management.

In France in 2013, the HSW procedure was strengthened by the creation of a network of regional accident prevention coordinators responsible for carrying out initiatives on the ground. These coordinators rely on tools such as the risk analysis model (DUER), a data collection software package that analyses the facts leading to accidents and the processes for inducting and integrating employees, reviewed or implemented in 2013. In fact, the frequency rate for occupational lost-time accidents fell to 51.4 while it was 53.3 in 2012. The severity rate remained steady (2.7 points).

In other countries, the challenges of "Health and Safety at Work" are also central to concerns. The Saintes site in Belgium obtained the OSHAS 18001 certificate.

For the entire Group, the frequency rate for occupational lost-time accidents improved by almost 2.4 points, at 48.1 points. The severity rate was steady at 2.4 points[17].

22 occupational diseases were declared in 2013 (including 19 in France) compared with 23 in 2012[18].

17. For La Méridionale, the hours worked taken into account are the theoretical hours. For sailors: number of theoretical working days*1759/365; for sedentary staff: number of theoretical working days*1607/365.

18. Reclassifications are likely to take place in the coming months, due to decisions by the health insurance fund.

QUALITY OF WORK LIFE

Promoting the quality of work life covers all the initiatives designed to contribute to the overall performance of the Company, by taking into account and improving working conditions.

In France in 2013, the Quality of Work Life Centre (QWL) continued its project to diagnose and prevent factors of arduousness and psycho-social risks and the intervention of an ergonomist (development of work rooms).

In Belgium, a "well-being code" structures the implemented actions using a diagnosis of working conditions.

STAFF DEVELOPMENT

The Group elected to favour mobility and internal promotion for its development and eventually hopes to fill 70% of its executive and senior positions internally.

PROVISIONAL MANAGEMENT OF JOBS AND SKILLS (GPEC)

The Group has implemented assistance and career management measures for its employees. Development meetings, skills assessments and key post reviews are the determining factors of this policy. Deployed at all levels, these tools encourage employees' access to new responsibilities, whether cross-divisional or hierarchical and are used to provide the best possible support.

There is a job board. In 2013, 102 positions were published on this board, mainly in France, but also in Italy, Switzerland and Spain.

A job observatory was created in France under the 2012 Group agreement. This prospective information and discussion body is designed to anticipate and prepare for future changes in the Group's activities and divisions.

SKILLS DEVELOPMENT AND TRAINING

At STEF, the tools for skills development are real-life professional situations, skills assessments, training and group or individual support.

In 2013, the number of training hours given in the Group amounted to 190,288 hours (compared with 190,288 in 2013), which is 13.4 hours per employee[19].

The strategic priorities for training are:

- training courses that promote the employability of staff, in particular that of unskilled and skilled workers, and which aim to maintain or develop their professional expertise;
- the strengthening of the managerial culture and the technical skills of managers;
- the professionalisation of the tutorial policy;
- training courses related to Health and Safety at Work.

19. Number of training hours compared to average monthly permanent and fixed term workforce.

MASTERY OF BASIC SKILLS

Training that focuses on mastering the basic skills (reading, writing, mathematics and learning techniques) is aimed at employees wanting to consolidate their basic knowledge and develop in their role. In France to date, over 8,000 hours of training have been given.

Over 600 employees are currently being trained and 70 sites have launched the scheme. The objective is to support the volunteers through a process of validating prior experiences. These initiatives are gradually being deployed across Europe.

EDUCATIONAL INNOVATIONS

In France, the professional training modules have been re-written using a specific "skills" approach, which offers training that targets the skill to be acquired in a work situation. The training courses are modular so they can be adapted to the needs of each employee.

Furthermore, in 2013, STEF acquired an online learning platform which allows employees to carry out their own targeted training, on the subjects of their choice and is designed to promote maximum retention.

INSTITUT DES MÉTIERS DU FROID (IMF)

The Institut des Métiers du Froid is the Group's training organisation dedicated to the in-house transfer of professional skills and application knowledge. The IMF has over 130 permanent and temporary, licensed and certified trainers. In 2013, the IMF catered for over 4,000 trainees and gave 43,026 hours of training. The trainers also work in Europe.

RECRUITMENT

Recruitment is a major part of the Group's human resources policy.

The "Incubator" policy dedicated to young graduates was created to meet the aim of relying on mobile and adaptable managers who will support the Group's development. At 31 December, 215 young employees were following a two-year cycle of induction and training within the Group's subsidiaries.

In order to boost the recruitment of young employees, partnerships have been formed with universities, particularly in Spain and Portugal.

In France, sandwich courses are widely used and at the end of 2013, the workforce included 106 apprentices and 122 professionalisation contracts.

EMPLOYEE SHAREHOLDING

STEF Group employees hold shares in the Company through the dedicated company mutual fund (FCPE) which owns over 16% of the share capital in STEF. This system is part of the Group's company culture and a high number of employee shareholders is considered a decisive factor for maintaining a high level of staff cohesion. The Group supports its staff's investments through an attractive company contribution mechanism. 63% of the workforce in France now has shares through the STEF FCPE.

In 2013, on the 20th anniversary of its employee shareholding, STEF was awarded the Prize for employee shareholding in France and internationally by the Fédération de l'Actionnariat Salarié and the Pures Trophy, first prize in the "Social and societal initiative" category, by one of its customers.

EMPLOYEE SHAREHOLDING PRIZE

STAFF RELATIONS

At STEF, ongoing dialogue is the basis for staff relations.

There are legal bodies – staff representatives, works councils and health and safety committees – in the Group's subsidiaries and establishments, in accordance with the regulations appropriate to each country.
At higher levels of the organisation, there are supra-legal bodies – union coordinators transportation and logistics network committees – in addition to the legal systems of the European Works Council and Group committee. This system promotes a rich dialogue at every relevant level of the organisation.

With this in mind and in order to take account of the development of the Group's scope and its practices, amendments to the constitution of the Group committee and the trade union rights were signed in 2013.
Furthermore, the third agreement on the hiring and continued employment of disabled workers was signed in 2013, along with a framework agreement on professional gender equality.
In Spain, amid tense national negotiations, maintaining an internal staff dialogue has encouraged the signing of agreements on working time and conditions, thus providing a secure legal framework applicable to employees.

PROFESSIONAL DIVERSITY AND EQUALITY

The Group considers the principles of non-discrimination in employment, the performance of these jobs and the treatment of employees, as a key element of its human resources policy. STEF has made this commitment by affirming that diversity is a source of richness and efficiency and is part of its corporate social responsibility. The principle of non-discrimination applies in all countries.

In France, a dedicated team, the Disability and Diversity Mission is responsible for these projects. In other countries, the Human Resources Department guarantees compliance with these intangible principles.

DISABILITY

STEF has continued with its proactive policy for the employment, retention and professional development of employees recognised as disabled workers, renewing its three-year agreement with union groups for the second time. In seven years, the employment rate of disabled employees has risen from 2.78% to 4.47% in France (excluding La Méridionale).

The integration of disabled employees can be measured in countries where STEF is based where there is specific legislation (Spain, France, Italy). For the relevant scope, La Méridionale included, the employment rate reached 4.16% at 31 December 2013.

The year was marked by the launch of STEF's "Job Discovery Days" scheme which helps disabled staff to find other jobs within the Group and, where appropriate, to receive specific support in accessing them. In 2013, there were 75 employees involved in this scheme.

In the European subsidiaries, partnerships are being developed with inclusion associations for disabled people (subcontracting activities in Spain, in Madrid and Bilbao, co-packing activity in Belgium).

PROFESSIONAL GENDER EQUALITY

In France, a framework agreement on professional gender equality, signed in March 2013, provides for the negotiation of an agreement by subsidiary or the drafting of an action plan based on a comparative male-female situation report by subsidiary.It should be noted that the Female Manager of the Year award was presented to Commander Emmanuelle Jarnot (La Méridionale), by Méridien Mag, under the auspices of the La Tribune Group.

OLDER WORKERS

In France, special measures for older workers have been taken in order to support them in their career management. Such measures include reviews for the second half of their careers for employees over 45, specific training to "boost the second half of their careers" or "in anticipation of stopping work".

SOCIALLY RESPONSIBLE
COMMITMENTS
FOR THE FUTURE

SOCIETAL COMMITMENTS

MEASURES TAKEN FOR THE HEALTH AND SAFETY OF CONSUMERS

Inherent in its business activities, STEF has an obligation to guarantee cold chain compliance and the traceability of the products entrusted to it.

To meet these requirements, across its sites STEF deploys:

- temperature measurement and recording systems during operating periods (vehicles and facilities);
- remote monitoring systems for-non operating periods, providing warnings in the event temperatures are exceeded and real-time monitoring of any changes;
- information systems that ensure the traceability of goods and which are used to respond to any request for identification and location.

In order to do so, STEF has implemented a Health Control Plan (HCP) across every site in France, which supports the appointment of a site manager and compliance audits. All French sites have a health and safety certificate and the process is automatically started for those joining the company during the year. This health and safety certification process has been conducted for the STEF Transport sites, although this is not formally required.

Furthermore, the transportation and logistics networks in France are involved in an ISO 9001 certification process.

SPONSORSHIP

With the density of its facilities across the territory, STEF focuses primarily on sponsorship and co-operation initiatives with regional partners, which enable it to deploy local actions that, at the same time, represent the Group's values.

Sponsorship actions with sporting associations are an opportunity to share the values of solidarity and perseverance that characterise the Group, with the company's employees. So, STEF lends its support to the Sport in the City association, through the "Job in the City" initiative in the Lyon region and "Our Districts have Talent" project in the Paris region. The objective of these associations is to help young people who are experiencing difficulties at school or having trouble fitting in in the world of work.

STEF supports the French paralympic team, a partnership which demonstrates STEF's commitment to hire and continue to employ disabled workers.
In 2013, STEF renewed its commitments in terms of sharing skills, especially thorough passing on its logistics expertise to non-profit associations.

STEF,
PARTNER OF THE FRENCH
PARALYMPIC TEAM

In Spain, STEF Iberia has developed a partnership with the Association of Manufacturers and Distributors (Aecoc) to collect food and take it to the Spanish food bank's warehouses. This project, which aims to combat food waste and waste production resulted in 1,500 tonnes beings sent.

DIALOGUE WITH STAKEHOLDERS

STEF strives to maintain close links with the organisations and trade unions representing the profession (French Association of Refrigeration, International Institute of Refrigeration, TLF, Transfigoroute, UNTF, USNEF, ECSLA). As a European temperature-controlled specialist, STEF is involved in work and discussions on draft regulatory changes (Club Demeter, Environment Energy and Transport Observatory).

The Group also maintains regional and European relationships (partnerships with universities), particularly in Spain, Portugal and Belgium (open days for students, the disabled or those undergoing professional reintegration).

La Méridionale was a partner of "Marseille-Provence 2013, European capital of culture 2013".

PROTECTING BIODIVERSITY

STEF complies with the provisions on impact studies in terms of biodiversity, during ICPE type construction projects (facilities classified for environmental protection), requiring a prefectoral authorisation to operate, including provisions relating to the conservation of wetlands.

In the Maritime division, La Méridionale has fitted its fleet with a system for sharing observations designed to spot Cetacea in a Mediterranean maritime protected area (REPCET system). 60 sailors from La Méridionale have been trained in observing and recognising maritime mammals. Its three vessels made 154 observations, which it provided to scientists.

CSR COMPLIANCE TABLE

(Art. 225 of the Grenelle 2 law and implementing decree no. 2012-557 of 24 April 2012)

Social information	
a) Employment: • total workforce, breakdown of employees by sex, age and geographic area; • new appointments and redundancies; • remunerations and changes in remuneration.	pp. 41-43
b) Work organisation: • organisation of working time; absenteeism; • respect for the freedom of association and the right to collective bargaining; • elimination of discrimination in terms of employment and profession; • elimination of forced or compulsory work; effective abolition of child labour.	p.44
c) Staff relations: • organisation of social dialogue (information and consulting procedures for personnel and negotiations); • overview of collective agreements.	p.48
d) Health and safety: • conditions for health and safety at work; • overview of agreements with union organisations or staff/health and safety at work representatives; • accidents at work (frequency, severity, occupational diseases).	p.45
e) Training: • training policy; • total number of training hours.	pp.46-47
f) Equal treatment: • measures taken for gender equality; • measures taken for the employment and inclusion of disabled people; • policy to combat discrimination.	pp.48-49
g) Compliance with the provisions of ILO core conventions	p.44

Environmental information	
a) General environmental policy: • Company organisation to consider environmental issues and, where necessary, environmental evaluation or certification procedures; • training and information initiatives for employees on protecting the environment; • resources for preventing environmental risks and pollution; • amount of provisions and guarantees for environmental risks.	pp.32-39 NONE
b) Pollution and waste management: • measures for prevention and reducing air, water and ground discharges seriously affecting the environment; • prevention, recycling and waste disposal measures; • consideration of noise pollution and any other form of pollution specific to an activity.	pp. 36-37
c) Sustainable use of resources: • water consumption and supply according to local constraints; • consumption of raw materials and measures to improve the efficiency of their use; • energy consumption, measures taken to improve energy efficiency and the use of renewable energies; • land use.	pp. 35-36 N/A
d) Climate change: • greenhouse gas emissions; • adaptation to the consequences of climate change.	pp. 33-34
e) Protecting biodiversity: • measures taken to protect and develop biodiversity.	p. 51

Societal commitments	
a) Territorial, economic and social impact of the Company's business: • in terms of employment and regional development for resident or local populations.	pp. 50-51
b) Relations maintained with people or organisations interested in the Company's business, (inclusion associations, education establishments, environmental protection associations, consumer associations and resident populations): • conditions for dialogue with these people or organisations; • partnership or sponsorship initiatives.	pp. 50-51
c) Subcontracting and suppliers: • consideration of social and environmental issues in the purchasing and outsourcing policy; • the importance of subcontracting and the consideration of CSR in supplier relationships.	p. 39
d) Fair practices: • actions taken to prevent corruption; • measures taken for the health and safety of consumers.	p. 50
e) Other human rights actions.	N/A

AUDITORS' CERTIFICATE

ENVIRONMENTAL, SOCIAL AND SOCIETAL INFORMATION

To the Shareholders,

In our capacity as an independent third party organisation, the admissibility of the accreditation application for which has been approved by COFRAC, and a member of the Mazars network, the STEF company's Statutory Auditors, we hereby present our report on the consolidated social, environmental and societal information for the year ended 31 December 2013 and presented in the management report (hereafter the "CSR Information"), in accordance with Article L.25-37 of the French Commercial Code.

CORPORATE SOCIAL RESPONSIBILITY

It is the Board of Directors' responsibility to prepare a management report comprising the CSR Information provided for under Article R.225-105-1 of the French Commercial Code, prepared in accordance with the procedures (hereafter the "Reference System"), a summary of which appears in the "Reporting Methodology" paragraph of the management report and is available on request from the Company's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the regulations, the profession's code of ethics and the provisions of Article L. 822-11 of the French Commercial Code. In addition, we have established a quality control system that includes documented policies and procedures to ensure compliance with the rules of ethics, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY ORGANISATION

Our role, based on our audit is:

- to certify that the required CSR information is presented in the management report or, if omitted, subject to an explanation pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Certificate of Attendance of CSR Information);
- to express a limited assurance conclusion on the fact that the CSR information, taken in its entirety, is presented, in all material respects, in a sincere way in accordance with the Reference System used (Reasoned opinion on the sincerity of CSR information).

Our work was conducted by a team of 4 people between December 2013 and March 2014 for an approximate duration of 4 weeks. Our CSR experts assisted us in our audit.

We conducted the following work in accordance with the professional standards applicable in France and the decree of 13 May 2013 determining the procedures used by the independent third party organisation to carry out its mission and, in terms of the reasoned opinion on fairness, with the international standard ISAE 3000.[20]

20. ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

I - ATTESTATION OF THE PRESENCE OF CSR INFORMATION

Based on interviews with the relevant division managers, we reviewed the presentation of the sustainable development guidelines according to on the social and environmental consequences of the Company's activity and its societal commitments and, where appropriate, the resulting actions or programmes.

We compared the CSR Information contained in the management report with the list provided for in Article R. 225-105-1 of the Commercial Code.

In the event of the absence of some consolidated information, we verified that explanations were provided in accordance with the provisions of Article R.225-105 paragraph 3 of the Commercial Code.

We verified that the CSR Information covering the scope of consolidation, namely the Company and its subsidiaries under Article L. 233-1 and the companies it controls under Article L. 233-3 of the French Commercial Code with the limits specified in the methodological note in the "Reporting methodology" paragraph in the management report.

Based on this work and given the aforementioned limits, we confirm that the CSR Information required is contained in the management report.

II - REASONED OPINION ON THE FAIRNESS OF THE CSR INFORMATION

NATURE AND EXTENT OF THE WORKS

We conducted around fifteen interviews with those responsible for preparing the CSR information in the divisions in charge of the information collection process and, where appropriate, those responsible for the internal control and risk management procedures, in order to:

- assess the appropriate nature of the Reference System with regards its relevance, exhaustiveness, reliability, neutrality and clarity, taking into consideration industry good practice, where necessary;
- verify the implementation of a process of collection, compilation, processing and control within the Group aimed at providing complete and consistent CSR information and reviewing internal control and risk management procedures relating to the preparation of the CSR information.

We determined the nature and scope of our tests and controls depending on the nature and importance of the CSR Information with regards the Company's characteristics, the social and environmental challenges of its activities, its sustainable development guidelines and good industry practices.

For the CSR information that we considered most important[21]:

- for the parent company and the controlled entities, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions). We implemented analytical procedures on the quantitative information and based on samples, verified the calculations and consolidation of the data and checked its consistency and agreement with other information appearing in the management report;
- through a representative sample of the scope that we selected[22] based on their activity, their contribution, their location and a risk analysis, we conducted interviews to verify the correct application of procedures and carried out detailed tests based on samples, checking the calculations and reconciling data with the supporting documents. The sample selected represented 77% of the workforce and between 77% and 100% of the quantitative environmental information.

For other consolidated CSR information published, we assessed its consistency compared with our knowledge of the Company.

Finally, we assessed the relevance of the related explanations, where appropriate, in the total or partial absence of some information.

We believe that the sampling methods and sample sizes that we selected using our professional judgement have enabled us to express a limited assurance conclusion; a higher level of assurance would have required a more extensive audit. Due to the use of sampling techniques and other limits inherent in the operation of any information and internal control system, the risk of not detecting a material misstatement in the CSR Information cannot be completely eliminated.

21. End of period workforce, breakdown by sex and age, absenteeism rate, number of training hours, staff turnover, water consumption of sites, electricity consumption, diesel consumption at 100km in clean fleet, CO_2 emissions - geqCO_2/tonne.kilometre, breakdown of clean fleet in accordance with the Euro Standard, measures taken for consumer health and safety.

22. Social information: on the Paris site across France; Environmental and societal information: on the Gerland site in the Lyon region and the Vire site in Normandy.

CONCLUSION

Based on our work, we found no material misstatement that would call into question the fact that the CSR information, taken in its entirety, is presented, in all material respects, in a sincere way in accordance with the Reference System.

Paris-La Défense, 22 April 2014

The independent third party, MAZARS SAS

Emmanuelle Rigaudias
CSR and Sustainable Development Associate

Olivier Thireau
Associate

GROUP RISKS

THE COMPANY HAS REVIEWED THE RISKS THAT MAY HAVE A SIGNIFICANT ADVERSE EFFECT ON ITS BUSINESS, ITS FINANCIAL SITUATION OR ITS RESULTS AND CONSIDERS THAT THERE ARE NO OTHER SIGNIFICANT RISKS OTHER THAN THOSE PRESENTED.

RISKS ASSOCIATED WITH THE GROUP'S ACTIVITIES

MACRO-ECONOMIC RISKS RELATED TO THE ECONOMIC SITUATION IN SOME GEOGRAPHIC AREAS

The economic situation in Italy, Spain and Portugal could be reflected by a fall in the turnover and profitability of the relevant subsidiaries. In order to limit its exposure to these macro-economic risks, STEF is focusing its strategy on creating a balance between the two main segments of activity (transportation and logistics) on the one hand, and on the other hand, diversifying its customer portfolio between key accounts and mid-market companies.

RISK OF THE DESTRUCTION OF OPERATING FACILITIES

The basis of the Group's business is perishable goods and products that must comply with norms of temperature and date. It is thus exposed to the risk of the destruction of operating facilities and that of a break in the cold chain and their consequences on the consigned goods.

To offset these risks and limit the damage, the Group's organisation and national network of facilities enable it to manage the eventuality of not being able to use one or more of its operating facilities on short notice.

At Group level, the risks are limited, because the number of warehouses and platforms in operation, in this case enabling the Group to transfer quickly the consignments affected by the incident to another site.

The Operating division has the ongoing duty of planning and implementing measures to ensure business continuity in the event of risks arising from climate, labour disputes or accidents.

THE RISK OF A BREAK IN THE COLD CHAIN

The Group has implemented security and control procedures for the cold chain.

The Group's facilities are equipped with temperature recording systems when operating, and remote-monitoring systems when not operating. The aim is to reduce to a minimum the risks of damage to a building or consigned goods following the outbreak of a fire.

Furthermore, STEF has implemented a maintenance programme and, each year, invests in making these sites safe against any incident and reducing to a maximum the risks of such an event occurring and limiting the damage to a maximum should such an event occur. In 2013, the Group strengthened its organisation, taking on a fire prevention engineer responsible for implementing a standardised Group prevention policy and the evaluation and monitoring tools.

HEALTH RISK

STEF's Health Control Plan (HCP) describes the measures taken to ensure the health and safety of the Group's activities regarding potential biological, physical and chemical risks. The HCP is part of the European "Hygiene Package" regulation. In applying this regulation, STEF has implemented measures to control this risk through its HCP: good hygiene practices (GHP), procedures based on HACCP (system of identifying, evaluating and managing significant hazards with regards food safety) as well as traceability and non-compliant product management procedures.

IT RISK

Due to its dependence on information flows, which constantly circulate and their necessary security, the Group prioritises the safeguarding and security of data. This is why the Group has a centre of expertise dedicated to information systems, STEF Information & Technologies. The safeguarding of data, their rapid recovery in the event of an incident affecting the central units and ensuring inviolability of information systems is a key component of customer relations.

INSURANCE AND RISK HEDGING

The Group has, through property/business interruption and public liability insurance, the best cover for the responsibilities it undertakes. A prudent policy in terms of insurance cover and excesses, reviewed periodically in view of changes in the market and Group growth, together with a pro-active prevention and training policy, reduces the Group's exposure to the consequences of a large loss.

PUBLIC SERVICE CONCESSION FOR PROVIDING SERVICES TO CORSICA

In September 2013, La Méridionale signed a public service concession agreement (PSC) with the Corsican authorities and Corsican Office of Transport to provide a freight and passenger service for Corsica via the port of Marseille for a ten-year term. This concession takes the the form of a joint and several partnership with the SNCM.

The PSC contains specific provisions in the event that one party goes into receivership, ensuring the continuity of the service for a given period. The bankruptcy of one partner has no immediate effect on the situation of the remaining partner which continues to fulfil its own obligations under the agreement.

MARKET RISKS

LIQUIDITY RISK

The Group's cash needs are mainly provided by credit lines at parent company level. At 31 December 2013, STEF had 20 confirmed medium-term credit lines, totalling €268 million. At 31 December 2013, up to €152 million had been drawn down. Drawdowns were made for periods of between one and three months, on which the applicable interest rate was that of the day of the drawdown. The initial duration of these lines varies between 4 and 5 years.

STEF also has spot loans totalling €37 million, of which €18 million were used at 31 December 2013 and overdraft agreements, with no agreed expiry dates, totalling €84 million, of which €46 million was used at 31 December 2013. The current cash needs of the subsidiaries are provided mainly by the parent company through a European centralised cash management agreement.

Confirmed, unused credit lines and available overdrafts and spot loans, together with effective cash flow planning, ensure that the Group has excellent control of its liquidity risk.
Some lines and loans are supported by commitments from the Group, including respecting financial ratios. The main ratios are as follows: EBITDA / Net financial expenses higher than 6 or 6.5 and Net Debt / Equity less than 1.7. At 31 December 2013, 42% of the Group's gross financial debt was associated with financial covenants. At this date, the Group met all commitments attached to the funding available to it.

The Company conducted a specific review of its liquidity risk and considers itself able to meet its future maturities.

INTEREST RATE RISK

The Group's consolidated debt is, mostly, floating rate debt, whether it is the short-term drawing down of confirmed lines of credit or long-term finance lease debt and mortgage loans, which are the two usual ways of financing capital investment. At 31 December 2013, the floating rate debt component represented 55% of the Group's gross financial debt. The detail of the Group's exposure to interest rate risk is presented in note 4.25 of the notes to the consolidated financial statements.

The Group's objective in terms of interest rate risk management is to use micro hedging as and when new fixed asset financing contracts are signed. This hedging policy must eventually optimise the contracting of financial instruments to hedge underlining liabilities, while improving its effectiveness and complying with accounting requirements in terms of hedge accounting.

CUSTOMER CREDIT RISK

The policy for depreciation of trade accounts receivables at STEF is as follows: receivables considered as bad debts, using a legal or financial approach, are depreciated for the entire amount deemed to be non-recoverable. Receivables judged to be at issue, or uncertain and in particular, all receivables older than 6 months which are not included in the previous category, are subject to a depreciation for the total amount excluding taxes.

The Group has credit insurance with a well-known partner, covering the road haulage and maritime activities in France and all activities in European countries.

Furthermore, for transportation, the "direct action" mechanism (Gayssot law) of the transport company with regards the shipper and/or final consignee of the goods considerably reduces the risk of non-recovery of trade receivables.

Finally, no customer accounts for more than 5% of the Group's turnover, which limits the risk that the bankruptcy of one customer could have a significant impact on the Group's profit.

EXCHANGE RATE RISK

Flows of currencies other than the euro are relatively balanced with flows of euros and so do not pose an exchange rate risk.

DIESEL RISK

As a large consumer of diesel for its activities, STEF is exposed to changes in the price of this fuel. In France a regulatory scheme is used to pass on variations in the price of fuel to customers, at the bottom of the invoice, thus greatly limiting the residual exposure to this risk. So, the use of hedging instruments is not a priority at this stage.

PROCEDURES, TAX AUDITS AND DISPUTES

To the Company's knowledge, there are no governmental, legal or arbitration proceedings, including any proceedings of which the Company is aware, which are unresolved or with which it is threatened, liable to have or which have had over the last twelve months a material impact on the financial position or profitability of the Company and/or Group. The evaluation of the provisions recorded at the reporting dates for the accounts is considered relevant by the Company.

GOVERNANCE

Since 1 July 2012, the positions of Chairman and Chief Executive Officer have been separate. The choice of this type of governance seemed relevant given the development of the Group's business, particularly in Europe and its decentralised operational structure.

Mr Francis Lemor holds the position of Chairman of STEF. Mr Jean-Pierre Sancier assumes the role of Chief Executive Officer. Three Deputy Executive Officers complete the structure.

- Mr Serge Capitaine, in charge of sales and marketing;
- Mr Bruno Duquenne, in charge of European operations;
- Mr Stanislas Lemor, in charge of administration and finance.

In August 2013, the Company opted for the Middlenext governance code to replace the Afep-Medef code. The Board of Directors believed that the Middlenext Code offered governance principles better suited to STEF's size and capital structure.

CHANGES WITHIN THE BOARD OF DIRECTORS IN 2013

Mr Christian Guilbert retired from the Board of Directors.
Mrs Estelle Hensgen-Stoller was appointed to the Board, representing employee shareholders at the Shareholders' Meeting of 15 May 2013, replacing Mr Dominique Thénault.

OFFICES AND POSITIONS HELD BY MEMBERS OF THE BOARD OF DIRECTORS

Mr Francis Lemor
Chairman of the Board of Directors, appointed to the Board in 1983

- Chairman of the Board of Directors of Immostef
- Chairman of the company UEF & Director of Atlantique Management
- Director of Compagnie Méridionale de Navigation (CMN)
- Director of STEF Iberia (Spain)
- Director of STEF Suisse

Mr Gilles Bouthillier
Appointed to the Board in 1997

- Director of Worms Services Maritimes

Mr Alain Bréau
Appointed to the Board in 2004

- Chairman of Superga Invest and SST, Director of Superga Lux, Corporate Manager of the SCI of 4 rue du Hoguet and Permanent Representative of Superga Invest at Manifesto

Mr Jean-Charles Fromage
Appointed to the Board in 2005

- Member of the Board of Directors of Atlantique Management and of Compagnie Méridionale de Navigation (CMN)
- Chairman of the Board of Directors of STEF Iberia (Spain), Corporate Manager of STEF Portugal-Logistica e Transportes LDA
- Chairman of the Board of Directors of STEF Italia S.P.A, STEF Italia Holding S.R.L. and STEF Logistics Italia S.R.L., Director of STEF International Italia S.P.A. (Italy)
- Permanent representative of STEF Transport on the Board of Directors of Froidcombi and of Transcosatal Développement
- Permanent representative of STEF on the Board of Directors of the company Immostef
- Director of STEF Suisse

Mr Éric Giuily
Appointed to the Board in 1992

- Chairman of Clai SAS and Director of Socoma

Mr Emmanuel Hau
Appointed to the Board in 2007

- Director of Aedian SA

Mrs Estelle Hensgen-Stoller
Appointed to the Board in 2013

Mr Bernard Jolivet
Vice-Chairman of STEF, appointed to the Board in 1996

- Chairman & CEO of Atlantique Management
- Permanent representative of STEF on the Board of Directors of STEF Logistique Plouénan

Mr Robert de LAMBILLY
Appointed to the Board in 2007

- Chairman of STIM d'Orbigny, Chairman of the Board of Directors of Compagnie Méridionale de Navigation (CMN)

Mrs Murielle Lemoine
Appointed to the Board in 2011

- Chairwoman of Carthera and Director of Immostef

Mr Dominique Nouvellet
Appointed to the Board in 2003

- Chairman of Siparex Associés and of Sigefi Services, Members of the Board of Directors of ANSA, of Tuninvest Finance Group (Tunisia), of Morocco Capital Invest (Morocco) and of Beltone Financial (Luxembourg)

Mr Xavier Ogier du Terrail
Appointed to the Board in 2001

- Chairman of La Financière de l'Aven SAS

ALLIANZ Vie, represented by Mr Peter Etzenbach
Appointed to the Board in 1997

- Mr Peter Etzenbach held offices in the member companies of the Allianz Vie Group

Atlantique Management, represented by Mr François de Cosnac
Appointed to the Board in 2010

- Mr François de Cosnac is Member of the Board of Directors of Immostef, Chief Executive Officer of UEF, Legal Representative of UEF, Chairman of Européenne de Logistique du Froid and permanent representative of UEF, Director of Atlantique Management, Chairman of the Board of Directors of Gerignac SA, Chairman of Géribourg, Corporate Manager of FDC Conseil Patrimoine, Vice-Chairman of the Supervisory Board of Auris Gestion Privée

The Board of Directors includes six independent directors in the sense of the Middlenext Code. These are Mrs Murielle Lemoine, Mr Gilles Bouthillier, Mr Alain Bréau, Mr Éric Giuily, Mr Emmanuel Hau and Mr Xavier Ogier du Terrail.

OFFICES AND POSITIONS HELD BY MEMBERS OF THE EXECUTIVE MANAGEMENT

Mr Jean-Pierre Sancier
Chief Executive Officer

- Chairman of STEF Transport, Chairman & Chief Executive Officer of STEF Logistique Plouénan (until 26 June 2013), Managing Director of SLR (until 15 March 2013), Managing Director of STEF Logistique Tours (until 27 March 2013)
- Director of STEF Italia Holding, STEF Italia S.P.A. and STEF Logistics Italia S.R.L
- Director of STEF Iberia (Spain) and TFE Transport A.G. (Basel)

Mr Serge Capitaine
Deputy Executive Officer

- Member of the Board of Directors of TFE International Limited (United Kingdom)

Mr Bruno Duquenne
Deputy Executive Officer

- Director of Immostef
- Deputy Executive Officer of STEF Transport
- Director and Vice-Chairman of STEF Suisse SA (Switzerland)
- Director of Olano Caudete Logistica S.L., STEF Los Olivos and STEF Iberia (Spain)
- Corporate Manager of STEF Portugal-Logistica e Transporte, Lda (Portugal)
- Chairman of the Board of Directors of STEF Logistics Courcelles, STEF Logistics Saintes and STEF Transport Saintes (Belgium)
- Director of STEF International Italia S.P.A, STEF Italia Holding S.R.L., STEF Italia S.P.A. and STEF Logistics Italia S.R.L. (Italy)

Mr Stanislas Lemor
Deputy Executive Officer

- Director of STEF Transport Saintes and STEF Logistics Saintes (Belgium)
- Director of STEF Italia Holding, STEF Italia S.P.A. and STEF Logistics Italia S.R.L., STEF International Italia S.P.A. (Italy)
- Director of STEF Iberia (Spain)
- Permanent representative of STEF Logistique on the Board of Directors of GEFA
- Director of UEF

REMUNERATION OF COMPANY OFFICERS:

The remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and that of the Deputy Executive Officers is set by the Board of Directors on advice from the Company Officers' Remuneration Committee. Each year, this Committee comprised of Mrs Murielle Lemoine, Mr Gilles Bouthillier and Mr Peter Etzenbach is determined in relation to the overall performance of the Group and objective comparative elements.

Mrs Estelle Hensgen-Stoller, Key Accounts Director of Logistique France, is remunerated under the terms of her employment contract. It was the same for Mr Dominique Thénault, who retired in March 2013.

The members of the Board of Directors receive directors' attendance fees, for which the total budget was fixed at €75,000 for each Shareholders' Meeting. An additional share of €12,000 is reserved for members of the Audit Committee directors.

REMUNERATIONS, NET OF SOCIAL SECURITY CONTRIBUTIONS, PAID TO COMPANY OFFICERS

In euros	Directors' attendance fees 2013	Fixed remuneration 2013	Variable remuneration 2013(1)	Exceptional remuneration 2013(2)	Benefits in kind 2013
DIRECTORS					
Francis Lemor, Chairman of the Board of Directors	11,248	188,575	167,610		5,016
Bernard Jolivet, Vice-Chairman	6,081		95,569	55,000	
Gilles Bouthillier	6,081				
Alain Bréau	5,068				
Jean-Charles Fromage	12,778		91,020	138,738	
Eric Giuily	2,027				
Christian Guilbert					
Emmanuel Hau	10,081				
Estelle Hensgen-Stoller	4,054	50,173	4,507		2,546
Robert de Lambilly	7,748	86,587	81,743		
Murielle Lemoine	8,568				
Dominique Nouvellet	9,068				
Xavier Ogier du Terrail	10,081				
Dominique Thénault	2,027	27,511	18,554		661
Allianz Vie – represented by Pier Riches then by Peter Etzenbach	3,040				
Atlantique Management represented by François de Cosnac	9,581				
CHIEF EXECUTIVE OFFICER					
Jean-Pierre Sancier Chief Executive Officer		240,129	117,362		6,449
Serge Capitaine, Deputy Executive Officer		203,795	99,168		4,392
Bruno Duquenne, Deputy Executive Officer	3,500	202,410	90,167		3,492
Stanislas Lemor, Deputy Executive Officer		165,239	72,540		2,799

(1) Paid in 2013 under the 2012 financial year. This variable remuneration is decided in relation to the overall performance of the STEF Group and objective comparative elements.
(2) the Board of Directors allocated an exceptional remuneration to Messrs Bernard Jolivet and Jean-Charles Fromage for their advisory assignments from 1st July 2012 which are detailed below.

The employment contracts of Messrs Jean-Pierre Sancier, Serge Capitaine, Bruno Duquenne et Stanislas Lemor contain provisions relating to payments to be made to them in the event of termination of their employment contracts and that come within the scope of regulated agreements and commitments covered by Article L.225-42-1 of the French Commercial Code. In accordance with the law, commitments exceeding conventional limits were subject to the satisfaction of the performance criteria assessed with regards those of the Company and which were to achieve an annual increase of at least 3% in consolidated turnover and operating profit. These commitments were approved by the Company's Shareholders' Meeting.

Two agreements were signed with Mr Bernard Jolivet and Mr Jean-Charles Fromage.

Mr Bernard Jolivet was tasked with advising the Chairman and, where appropriate, act as the Chairman of the Board of Directors in the absence of the Chairman. He can be given assignments to represent the Group's interest with governments, public authorities and professional bodies.

Mr Jean-Charles Fromage is the Chairman of the Spanish, Portuguese and Italian subsidiaries and assists the Group in external growth operations and the search for new markets.

GENERAL INFORMATION

At 31 December 2013, the share capital amounted to €13,515,649, comprising 13,515,649 shares of a nominal value of 1 euro each. There was no change in the share capital in the financial year.

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2013

9,438,196 shares have double voting rights under the provisions of Article 19 of the Company's articles of association.

	Shares	% capital	Theoretical voting rights	% theoretical voting rights	Exercisable voting rights (*)	% exercisable voting rights
Atlantique Management (1)	3,998,697	29.59%	7,959,265	34.68%	7,959,265	35.55%
FCPE STEF (2)	2,211,813	16.36%	4,353,640	18.97%	4,353,640	19.44%
Société des Personnels de la Financière de l'Atlantique (S.P.F.A) (1)	1,221,239	9.04%	2,437,841	10.62%	2,437,841	10.89%
Union Économique et Financière (UEF) (3)	950,459	7.03%	1,896,081	8.26%	1,896,081	8.47%
Société Européenne de Logistique du Froid (4)	737,809	5.46%	1,471,371	6.41%	1,471,371	6.57%
Mr Francis Lemor (5)	63,787	0.47%	127,319	0.55%	127,319	0.57%
Sub-total – concerted action	9,183,804	67.95%	18,245,517	79.49%	18,245,517	81.49%
Bestinver	1,874,691	13.87%	1,874,691	8.17%	1,874,691	8.37%
Treasury shares	564,041	4.17%	564,041	2.46%	0	0.00%
Other (shareholders owning less than 5% of the share capital)	1,893,113	14.01%	2,269,596	9.88%	2,269,596	10.14%
TOTAL	13,515,649	100.00%	22,953,845	100.00%	22,389,804	100.00%

(*) Excluding voting rights pertaining to shares without voting rights (treasuring shares, etc.).

(1) Limited company (SA) controlled by STEF senior executives and executives.

(2) The STEF FCPE is managed by Natixis Interépargne and brings together STEF employees.

(3) Limited company (SA) controlled by the Lemor family.

(4) SAS 51% owned by the company Union Économique et Financière with the remainder owned by STEF senior executives and executives.

(5) Chairman of the Board of Directors.

THRESHOLD EXCEEDED

On 23 May 2013: the reaching of the threshold of 10% of voting rights by the company "Société des Personnels de la Financière de l'Atlantique" (S.P.F.A) increased, through the attribution of double voting rights.

STATUTORY PROVISIONS ON CHANGE IN CONTROL

The Company's articles of association do not contain provisions that would delay, defer or impede a change of control.

DELEGATIONS OF POWER CONCERNING INCREASE OF CAPITAL

The Shareholders' Meeting of 15 May 2013 assigned its authority to the Board of Directors for the issuing of ordinary shares and/or securities giving access to the share capital and/or attribution of debt securities and this, with maintenance of the preferential right of subscription.

Characteristics of the delegation	Maximum authorised nominal amount in euros	Consumed amount at 31/12/2013 in euros	Balance in euros	Characteristics of the delegation
Capital increase	1,500,000	0	1,500,000	14 July 2015
Debt securities likely to be issued	150,000,000	0	150,000,000	14 July 2015

This delegation cancelled and replaced a concession of the same type and with the same characteristics, granted by the Shareholders' Meeting of 18 May 2011 to the Board of Directors and which had not been subject to any use on its cancellation date.

SECURITIES GIVING ACCESS TO THE SHARE CAPITAL REDEEMABLE SHARE SUBSCRIPTION AND/OR PURCHASE WARRANTS (BSAARS)

In July 2008, 904,976 redeemable share subscription and/or purchase warrants (BSAARs) were issued as part of an issue of bonds with redeemable share subscription and/or purchase warrants (OBSAARs) These warrants have been able to be transferred and exercised for five years, since 21 July 2010. Each warrant gave the option to buy one Company share at the exercise price of €51.20.

In November 2013, STEF issued a repurchase offer for the BSAAR and payment of the price of these in STEF treasury shares. Each BSAAR bearer was offered the repurchase of the BSAAR that they owned, at the rate of one STEF share for twelve BSAAR. The operation was centralised by Euronext Paris for a period from 21 November to 11 December 2013 inclusive.

Of the 902,128 existing BSAAR, 882,223 BSAAR were repurchased by STEF to be cancelled. 73,430 STEF shares were used in exchange. The 19,905 BSAAR that were not tendered in the offer remain listed for their term.

Number of BSAARs issued	Exercise start date	Exercise end date	Exercise price	Number of BSAARs exercised at 31 December 2013	Number of BSAARs cancelled at 31 December 2013	Number of BSAARs remaining to be exercised
904,976	21/07/2010	20/07/2015	€51.20	48	885,023	19,905

Company treasury shares were used for the shares corresponding to the exercise of share purchase warrants and the BSAAR exchange transaction.

ACQUISITION BY THE COMPANY OF TREASURY SHARES

Summary of transactions carried out in the year by the Company and concerning treasury shares.

Use of shares treasury shares	Consolidated financial statements at 31/12/2012	Shares acquired in 2013	Shares sold in 2013	Shares transferred in 2013	Change in allocation [3]	Consolidated financial statements at 31/12/2013
Supporting the share price through a liquidity contract	34,397	142,509	- 160,914			15,992
Hedging of securities giving access to the attribution of shares	587,241			- 73,432 (1)	- 493,904	19,905
Hedging of attribution of shares to employees as part of the company savings plan	38,652			- 4,412 (2)		34,240
Shares used for payment or exchange as part of an acquisition					400,000	400,000
Others					93,904	93,904
Total	660,290	142,509	- 160,914	- 77,844	0	564,041

(1) During the operation to exchange STEF shares against STEF BSAAR referred to previously (73,430) and the exercise of two share purchase warrants.

(2) When shares were attributed to employees as part of the company savings plan

(3) Decided in 2013 by the Board of Directors

2013 SHARE REPURCHASING PLAN

In the 2013 financial year, there were two share repurchasing plans.

The purpose and terms of each plan, the term of which is 18 months, were communicated in accordance with Article 241-2 of the AMF's General Regulations:

- share repurchasing plan voted by the Shareholders' Meeting of 16 May 2012 under the terms of the 13th resolution: the maximum purchase price was set at €60, for a maximum share of the share capital to be acquired of 10%;
- share repurchasing plan voted by the Shareholders' Meeting of 15 May 2013 under the terms of the 8th resolution: the maximum purchase price was set at €60, for a maximum share of the share capital to be acquired of 10%.

LIQUIDITY CONTRACT

A liquidity contract concerning Euronext Paris was entrusted to the stock exchange company Gilbert Dupont.
This contract complies with the Charter of Ethics established by French association of investment companies approved by the decision of the AMF of 22 March 2005.
At 31 December 2013, the balance of treasury shares under the liquidity contract stood at 15,992 shares.

SHARE PRICE

Between 2 January and 31 December 2013, the share price ranged from a €36.95 low and a €53.55 high.

Over the same period, the daily average number of shares exchanged was 4,480. The annual average share price was €42.60.

IMPORTANT EVENTS OCCURRING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF THIS REPORT

31 January 2014: sale of two subsidiaries of STEF Transport in the United Kingdom: STEF Transport Limited and Seagull.

OUTLOOK FOR 2014

2014 began under more favourable economic conditions which should enable the Group to maintain the steady growth in its turnover and operating profit.

The key challenge in 2014 will be the successful operational integration of the EBREX France business into the transportation and logistics networks.

Following the changes in its property investments, logistics is expected to return to its usual performance standards in 2014.

For European activities, which are now positioned as a true vehicle for growth, the priority is still to attain critical size through acquisitions.

The renewal of the public service concession agreement opens up sustainable opportunities for La Méridionale to strengthen its positioning on its market in terms of both freight and passengers.

As part of its development, STEF will maintain an ambitious investment programme, dedicated to replacing its operating facilities and external growth operations.

FINANCIAL ITEMS AND INTERNAL CONTROL

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED TURNOVER

After a difficult first half-year marked by a slowdown in activity, the Group gradually returned to growth and ended 2013 with an increase of 5.2% in turnover (1.1% at comparable scope).

Annual total in millions of euros	2013	2012	Change	Change at comparable scope
Group's operations	**2,275**	**2,212**	**2.9%**	**1.0%**
Third party sales*	358	290	23.3%	1.8%
GROUP'S TOTAL TURNOVER	2,633	2,502	5.2%	1.1%

*Third party sales represent the turnover from trading transactions for catering logistics customers and appear under "purchase of goods".

The increase in turnover is mainly due to the accelerated development of catering logistics activities in France (+€97M, including +€77M for third parties) and the acquisition of EBREX in the last quarter (+€32.8M).

Business segments	Turnover in millions of euros		Operating profit in millions of euros	
	2013	2012	2013	2012
Transportation France	1,161	1,133	58.7	67.8
Logistics France	465	437	21.1	18.9
International	513	506	17.7	12.8
Maritime	108	108	1.7	-2.7
Other activities	386	318	-1.8	-0.5
TOTAL	2,633	2,502	97.4	96.3

TRANSPORTATION FRANCE

The transportation network extended its geographical coverage with the takeover of Transports Gringore in Normandy and the acquisition of the company EBREX in October 2013.

2013 was marked by an acceleration in the phenomenon of mass distribution. In this context, the increased volumes of transported products (+2.0% on the year) was not enough to compensate for the fall in the euro/tonne.

Furthermore, the sale of sites (Nantes, Orléans) generated less significant gains than in 2012 (€2M compared with €5M). Operating profit was down, despite the contribution of the CICE tax measure.

LOGISTICS FRANCE

The year was marked by the strong development in the foodservices logistics activity and the incorporation of new businesses as well as the effect of external growth (acquisition of KLS in late 2012 and contribution of the Quick business with EBREX, in late 2013). Since the Group's property investment was quickly saturated by penetrating this new market, the business made a loss in 2013. Retail logistics suffered a fall in turnover of 1.9% due to sluggish sales volumes and its profitability fell. However, the logistics business for agrifood producers (fresh, frozen, temperature-sensitive) increased and the operating margin improved. Operating profit was up overall, but benefited from an insurance payment of €7M relating to an accident that occurred in 2012 at Corbas (it included gains on property sales for €4.5M in 2012).

INTERNATIONAL

European activities benefited from a slight improvement in the economic environment from the 2nd quarter and the growth in international flows in Europe. Through a growth highly targeted on medium-sized customers and the transportation network business, the operating profit of all international subsidiaries was up. The recovery in Italy was confirmed as demonstrated by the increased operating profit which rose from €1.0 million to €3.9 million.

MARITIME

The Maritime business ended the year with a further decline in freight activity (-3.9% fall in goods volumes, after a decrease of -4.3% in 2012), offset by an increase in passenger activity (+3.1%).

The operational improvement is due to the good performance of the passenger business, the lower cost of owning vessels and the chartering of the Scandola throughout the year.

CONSOLIDATED INCOME

in millions of euros	2013	2012 [1]	Change in %
Turnover	**2,633**	**2,502**	**+5.2**
Operating profit	**97.4**	**96.3**	**+1.1**
Financial income	(13.7)	(13.8)	
PROFIT BEFORE TAX	83.6	82.5	+1.3
Tax expense	(25.2)	(28.7)	
Share in net profit (loss) of companies accounted for by the equity method	+ 1.8	+ 1.4	
NET PROFIT (LOSS)	60.2	55.2	+9.0
- of which profit attributable to Group shareholders	60.2	55.3	+8.7
- of which profit attributable to minorities	0.1	-0.1	

(1) The application from 1 January 2013 of the revised IAS 19 standard (Staff benefits) led to a restatement of the 2012 comparison with an impact of €0.2 million on profit.

The group's operating profit benefited from extraordinary income in the real-estate business for a total amount of €10 million (compensation for the Corbas accident and gains on sale) and, for the French businesses, the implementation of the CICE tax measure which represented €11.7 million.

Due to European activities and the vast savings plan launched at the end of the first half-year, the operating profit showed a slight increase, to €97.4 million (+1.1% compared with 2012).

The operating margin fell from 4.4% to 4.3% of turnover (excluding with third party trading activity).

The Group's financial cost remained stable compared with 2012, since the increase in fixed-rate debt and the replacement of the bond issue by more expensive credit lines has offset the positive effect of lower interest rates.

The tax expense decreased significantly (30.2% of taxable income, against 34.8% in 2012) due to the CICE tax measure (non-taxable income) and the increase in taxable income made outside France, where the Group is subject to a lower income tax rate than in France (38% following the rise in the exceptional income tax contribution).

Net earnings from associated companies increased to €1.8M, compared with €1.4M in 2012 due to a strong improvement in profits from the Transcosatal Group, specialising in the transportation of fruits and vegetables and in which the Group is a 33.3% shareholder.

In 2013, the Group made significant investments, in both its property assets (construction of new sites and extension of existing sites) and its acquisition operations. Indeed, investments made under external growth amounted to €47 million, most of which (€38.2 million) relates to the takeover of associated buildings:

- €28 million relating to the acquisition of 12 refrigerated platforms leased by EBREX;
- €8.1 million for the acquisition of warehouses for customers' outsourced logistics operations (German-speaking Switzerland and Spain);
- €2.1 million for the acquisition of a refrigerated platform in Basse Normandie (Gringore).

This major investment programme, coupled with a negative change in working capital at the end of 2013 (higher income tax receivables with the CICE, repaid in June 2014, a fall in social security debts related to the reduced shareholding in France and a rise in the stocks associated with the development of the foodservices logistics activity), explains the increase in the net debt from €419 million to €461 million at the end of 2013.

However, the continued strengthening of the Group's equity provides a further fall in the debt ratio to 1.08 compared with 1.10 at the end of 2012.

RESEARCH AND DEVELOPMENT

In 2013, innovative projects represented a budget of €167 K. These concern the Group's sustainable development policy (refrigerants for the mobile air-conditioning of vehicles, systems to reduce energy consumption for operating the platforms).

CHANGE IN THE SCOPE OF THE GROUP

ACQUISITIONS OF SHAREHOLDINGS IN 2013

ACQUISITIONS, START-UPS, DISPOSALS

- acquisition of 100% of the share capital of EBREX France and its subsidiary EBREX Logistique France, renamed STEF Logistique Salon de Provence;
- acquisition of 100% of the share capital of SCI Fresh 5 (formerly Actixia) and Fresh 7 (formerly Actibrex).

Details of subsidiaries and shareholdings are shown in the notes to the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

(IN THOUSANDS OF EUROS)

	note	2013 financial year	2012 financial year(1)	Change
TURNOVER	4.2	2,633,128	2,502,269	5.2%
Purchases from third parties	4.3	(1,716,264)	(1,604,238)	7.0%
Taxes and related expenses		(57,572)	(57,464)	0.2%
Payroll expenses	4.4	(688,634)	(677,559)	1.6%
Depreciation and amortisation		(83,684)	(81,255)	3.0%
(Net charges to) net reversals of impairment and provisions	4.5	480	4,045	
Other operating income and expenses	4.6	9,923	10,520	
OPERATING PROFIT		97,377	96,318	1.1%
Financial expenses	4.7	(14,565)	(14,582)	
Financial income	4.7	819	812	
Net financial expense		(13,746)	(13,770)	0.2%
PROFIT BEFORE TAX		83,631	82,548	1.3%
Tax expense	4.8	(25,229)	(28,728)	
Share in net profit of companies accounted for by the equity method	4.14	1,821	1,417	
NET INCOME		60,223	55,237	9.0%
*** of which profit attributable to Group shareholders**		**60,153**	**55,316**	**8.7%**
* of which profit attributable to minorities		70	(79)	
EBITDA	4.9	180,581	173,282	4.2%
Earnings per share:		(in euros)	(in euros)	
- basic earnings per share:	4.20	4.65	4.30	
- fully diluted earnings per share:	4.20	4.65	4.30	

(1) The published figures for 31 December 2012 have been restated to take account of the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

CONSOLIDATED BALANCE SHEET

(IN THOUSANDS OF EUROS)

ASSETS	note	31 December 2013	31 December 2012(1)
NON-CURRENT ASSETS			
Goodwill	4.10	131,561	111,175
Other intangible assets	4.11	26,410	23,201
Tangible fixed assets	4.12	865,592	793,876
Non-current financial assets	4.13	34,406	38,182
Investments in associated companies	4.14	14,789	13,832
Deferred tax assets	4.15	27,410	28,429
TOTAL NON-CURRENT ASSETS		1,100,168	1,008,695
CURRENT ASSETS			
Inventories and work in progress	4.16	41,280	35,441
Customers	4.17	424,721	398,178
Other receivables and current financial assets		147,703	148,163
Current tax assets		16,030	3,936
Cash and cash equivalents (a)	4.18	53,558	82,334
Assets held for sale	4.12	1,010	715
TOTAL CURRENT ASSETS		684,302	668,767
TOTAL ASSETS		1,784,470	1,677,462
EQUITY AND LIABILITIES	note	31 December 2013	31 December 2012(1)
EQUITY			
Share capital		13,516	13,516
Share premium account		4,284	4,284
Reserves		406,290	358,753
Equity, Group share	**4.19**	**424,090**	**376,553**
Minority interests		4,128	4,594
TOTAL EQUITY		428,218	381,147
NON-CURRENT LIABILITIES			
Non-current provisions	4.23	35,397	33,721
Deferred tax liabilities	4.15	45,228	40,685
Non-current financial liabilities (b)	4.21	385,011	313,205
TOTAL NON-CURRENT LIABILITIES		465,636	387,611
CURRENT LIABILITIES			
Trade accounts payable		405,590	388,931
Current provisions	4.23	13,148	11,645
Other current liabilities		341,629	308,049
Current tax liabilities		983	11,469
Current financial liabilities (c)	4.21	129,266	188,383
Liabilities held for sale		-	227
TOTAL CURRENT LIABILITIES		890,616	908,704
TOTAL EQUITY AND LIABILITIES		1,784,470	1,677,462
Net debt (b) + (c) - (a)		460,719	419,254
Debt/equity ratio		1.08	1.10

(1) The published figures for 31 December 2012 have been restated to take account of the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(IN THOUSANDS OF EUROS)

	note	2013 financial year	2012 financial year(1)
PROFIT FOR THE PERIOD		60,223	55,237
Actuarial gains and losses on pension plans	4.22	1,508	(6,034)
Tax expense on non-recyclable items	4.15	(404)	2,178
Other items of comprehensive income, net of income tax which are not subsequently reclassified into income		**1,104**	**(3,856)**
Unrealised foreign exchange gains or losses from activities abroad		77	349
Effective portion of change in fair value of cash flow hedging derivatives		6,329	(7,918)
Tax expense on recyclable items	4.15	(2,272)	2,713
Other items of comprehensive income, net of income tax which are subsequently reclassified into income		**4,134**	**(4,856)**
COMPREHENSIVE INCOME FOR THE PERIOD		65,461	46,525
*** of which profit attributable to Group shareholders**		**65,391**	**46,604**
* of which profit attributable to minorities		70	(79)

(1) The published figures for 31 December 2012 have been restated to take account of the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(IN THOUSANDS OF EUROS)

	Share capital	Share premium account	Consolidated reserves	Translation reserves	Treasury shares	Fair value reserve	Equity attributable to equity shareholders of the parent company STEF	Minority interests	Total equity
EQUITY AT 31 DECEMBER 2011	13,516	4,284	365,560	(398)	(25,321)	(4,977)	352,664	4,789	357,453
Dividends paid			(17,750)				(17,750)	(127)	(17,877)
Restatement related to the revised IAS 19 standard (1)			(2,987)				(2,987)		(2,987)
Acquisition and disposal of treasury shares					(1,978)		(1,978)		(1,978)
Transactions with minority interests							0	11	11
Total transactions with shareholders	**0**	**0**	**(20,737)**	**0**	**(1,978)**	**0**	**(22,715)**	**(116)**	**(22,831)**
Comprehensive income for the period	**0**	**0**	**51,460**			**(4,856)**	**46,604**	**(79)**	**46,525**
EQUITY AT 31 DECEMBER 2012	13,516	4,284	396,283	(398)	(27,299)	(9,833)	376,553	4,594	381,147
Dividends paid			(18,653)				(18,653)	(121)	(18,774)
Acquisition and disposal of treasury shares					799		799		799
Transactions with minority interests							0	(415)	(415)
Total transactions with shareholders	**0**	**0**	**(18,653)**	**0**	**799**	**0**	**(17,854)**	**(536)**	**(18,390)**
Comprehensive income for the period	**0**	**0**	**61,257**			**4,134**	**65,391**	**70**	**65,461**
EQUITY AT 31 DECEMBER 2013	13,516	4,284	438,887	(398)	(26,500)	(5,699)	424,090	4,128	428,218

(1) The published figures for 31 December 2012 have been restated to account for the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

CASH FLOW STATEMENT

(IN THOUSANDS OF EUROS)

	note	2013 financial year	2012 financial year(1)
PROFIT FOR THE PERIOD		60,223	55,237
+/- Net depreciation, amortisation, impairment of non-current assets and provisions		85,100	78,692
+/- Gains or losses from the sale of non-current assets	4.6	(2,885)	(10,934)
+/- Share in net profit (loss) of associated companies	4.14	(1,821)	(1,417)
+/- Change in market value of derivatives		0	8
+/- Change in unrealised foreign exchange gains or losses		67	278
+/- Other income and expenses, generating no change in cash		578	782
- Deferred tax	4.15	3,200	(4,838)
Cash flow from operations (A)		**144,462**	**117,808**
+/- Change in working capital (B)		(34,155)	51,610
NET CASH FROM OPERATING ACTIVITIES (C) = (A+B)		110,307	169,418
- Cash used in acquiring intangible assets	4.11	(12,043)	(8,753)
- Cash used in acquiring tangible fixed assets	4.12	(103,348)	(99,244)
+/- Change in granted loans and advances + financial assets		(792)	(3,077)
- Deferred payments related to the acquisition of subsidiaries		(1,250)	
- Proceeds and cash used in the acquisition and sale of subsidiaries net of acquired cash (**)		(9,202)	1,815
+ Proceeds from sale of tangible and intangible fixed assets		7,049	19,490
+ Dividends received from equity instruments		853	689
NET CASH FROM INVESTMENT ACTIVITIES (D)		(118,733)	(89,080)
+/- Acquisition and disposal of treasury shares		799	(1,978)
- Dividends paid to STEF shareholders		(18,653)	(17,750)
- Dividends paid to minority shareholders		(121)	(127)
+ Proceeds from new borrowings		149,949	64,519
- Repayment of borrowings		(158,792)	(90,376)
NET CASH FROM FINANCING ACTIVITIES (E)		(26,818)	(45,712)
Net cash position at beginning of period		42,972	8,346
Net cash position at end of period *		7,728	42,972
= CHANGE IN NET CASH POSITION (C+D+E) (*)		(35,244)	34,626

(1) The published figures for 31 December 2012 have been restated to take account of the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

Net cash positions at the balance sheet dates are as follows: *	31/12/2013	31/12/2012
Cash and cash equivalents	53,558	82,334
Bank overdrafts and spot loans	(45,830)	(39,362)
	7,728	**42,972**

**	31/12/2013	31/12/2012
Cost of acquiring financial assets of purchased companies	(20,082)	(4,172)
Acquired cash	10,880	5,987
Net cash paid out	**(9,202)**	**1,815**

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2013 FINANCIAL YEAR

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The main activities conducted by STEF and its subsidiaries (hereinafter referred to as STEF or the Group) are controlled-temperature road transportation and logistics as well as maritime transportation.

The parent company, STEF SA, is a company incorporated under the laws of France, having its registered office at 93 boulevard Malesherbes - 75008 Paris, and with its shares listed on the NYSE Euronext Paris' B compartment.

These financial statements were approved by the Company's Board of Directors when they met on 19 March 2014. They shall only be finalised once they have been approved by the Shareholders' Meeting to be held on 14 May 2014. Unless otherwise specified, the consolidated financial statements are presented in euros which is the functional currency of STEF, rounded to the nearest thousand.

NOTE 1 ACCOUNTING STANDARDS

The consolidated financial statements for the financial year ended 31 December 2013 for the company STEF have been prepared in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union and applicable for the financial year ending 31 December 2013.

The IFRS are available on the European Commission website at the following address: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

The consolidated financial statements were prepared using the historical cost method, except for derivatives and financial assets classified as available for sale and cash equivalents, which are accounted for at fair value.

The accounting policies used are the same as those used for the preparation of the annual consolidated financial statements for the financial year ended 31 December 2012.

However, the Group has applied the amendments and revisions of the following standards and interpretations, the application of which became compulsory within the European Union from 1 January 2013:

- Amendment to IAS 1 "Presentation of other items of comprehensive income": this amendment requires the separate presentation of other items of comprehensive income that may in the future be recycled to the income statement if certain conditions are met, from those that may not;
- Amendment to IAS 19 "Retirement and similar commitments": the amended standard requires the recognition of actuarial gains related to defined benefits plans in other items of comprehensive income, thus removing the opportunity to choose the corridor method or faster recognition in the income statement. Furthermore, the amended standard now requires immediate recognition in the income statement of past service costs that were previously spread over the average residual period of staff rights still to be acquired. Finally, the standard now requires the calculation and presentation of a net interest expense/income for the period on the net liabilities/assets for defined benefits by applying the discount rate used to evaluate defined benefits obligations, to the net liabilities/assets, both set at the beginning of the financial year. Previously, the Group determined financial income generated by plan assets based on the expected long-term rate of return. The impact of this amendment on the comparative information at 31 December 2012 is presented in paragraph 4.1;
- IFRS 13 "Fair value measurement": The IFRS 13 standard establishes the principles for valuation of assets and liabilities at fair value, without however changing the scope of application of the fair value within the accounting standards. In particular, the standard indicates that the valuation of derivatives must take into account the risk of default of the counterparty and the credit risk appropriate to the entity. The

application of these provisions had no significant impact on the Group's accounts. The additional information required by IFRS 13 regarding the fair values of financial assets and liabilities are presented in note 4.25;

- Amendment to IFRS 7: "Information to be provided - Offsetting financial assets and financial liabilities": The information required by this amendment is presented in note 4.25.

The preparation of financial statements according to IFRS standards requires the management to make estimates for the financial year concerned and to make assumptions that have an impact on the application of the accounting methods, on the amounts recorded for certain assets, liabilities, income and expenses as well as on certain information provided in the notes attached to the financial statements. The estimates and assumptions made are those that the management considers as being the most relevant and achievable, in view of the Group's environment and available feedback. Because of the uncertain nature inherent in these estimates, the final amounts may be different from those originally estimated. To limit these uncertainties, the estimates and assumptions are periodically reviewed and the changes are accounted for immediately.

The use of estimates and assumptions is of particular importance in the following areas:

- determination of the periods of use of non-current assets (Note 2.5);
- determination of the recoverable amount of non-current non-financial assets (Notes 4.10, 4.11 and 4.12);
- qualification of finance leases (Note 2.16);
- valuation of identifiable assets and liabilities acquired as part of business combinations (Note 3.4);
- recognition of deferred tax assets (Notes 2.10 and 4.15).

NOTE 2 ACCOUNTING POLICIES

The accounting methods, presented below, have been applied consistently to all the financial years presented in the financial statements.

2.1 Rules and consolidation methods

SUBSIDIARIES

The accounts of subsidiaries controlled by the parent are consolidated according to the method of full consolidation. STEF has control of a subsidiary when it has, either directly or indirectly, the right to make decisions on the subsidiary's operations and finances with the aim of benefiting from the subsidiary's activities. The Group is assumed to have control when it owns, directly or indirectly, more than 50% of a subsidiary's voting rights. The assessment of the existence of control is based not only on the Group's voting rights, but also on those likely to be obtained from exercising options, if these options are immediately exercisable. The subsidiary's consolidation into the Group's accounts begins from the date on which control is obtained and ends when the control ends.

ASSOCIATED COMPANIES

The companies in which the Group has significant influence but not control are consolidated under the equity method. The Group is assumed to have significant influence when it owns, directly or indirectly, at least 20% of a company's voting rights. A company's consolidation into the Group's accounts under the equity method begins when the significant influence is obtained and ends when the significant influence ends.

CANCELLATION OF INTRA-GROUP TRANSACTIONS AND PROFIT

Receivables, liabilities and transactions between subsidiaries are fully cancelled. Intra-group profits realised on the sale of assets are also cancelled, as are intra-group losses unless indicative of losses in value.

Internal profits and losses between the Group and associated companies are cancelled in proportion of the percentage of the Group's shareholding in these companies.

2.2 Goodwill

The acquisitions of subsidiaries and shares in associates are accounted for under the acquisition method.

In the transition to IFRS, the Group decided not to restate business combinations prior to 1 January 2004. For these combinations, the goodwill shown are the amounts recorded according to the Group's former accounting standards.

Goodwill on acquisitions after 1 January 2004 and prior to 1 January 2010 are equal to the existing difference, on the acquisition date, between the acquisition cost and the acquired share of the fair value of assets, liabilities and contingent liabilities.

For acquisitions made since 1 January 2010, the Group calculates the goodwill on the date of acquisition as follows:

- the fair value of the payment made for the investment, plus;
- any minority interest in the acquired company; plus, if the acquisition is made in stages, the fair value of any shareholding previously owned in the Company; less
- the net amount recorded (in general the fair value) of the difference between the assets, liabilities and contingent liabilities.

When the difference is negative, the gain is taken directly to profit and loss.

Goodwill is valued at acquisition cost, less total impairments. Goodwill is subject to impairment tests, at least annually, or when there is any indication of impairment in value.

2.3 Acquisition of minority interests

Since 1 January 2010, the Group has recorded acquisitions of minority interests according to IAS 27 "Consolidated and separate financial statements". They are now accounted for as transactions with owners in their capacity as owners and, as such, no goodwill arises. Adjustments to minority interests are determined on the percentage of the subsidiary's net assets attributable to equity holders of the parent STEF SA.

2.4 Other intangible assets

Intangible assets, other than goodwill, mainly comprise computer software that is either developed in-house or purchased. They are stated at their historic or production cost in the balance sheet. They are amortised on a straight-line basis over their expected useful life, which currently is no longer than five years.

Development costs for software for internal use or intended for sale, are fixed from the day when certain conditions are met, especially when it is shown that this software will generate probable future economic benefits due to a significant improvement in operating processes, and that the Group has adequate technical and financial resources to produce it and intends to use it, or sell it.

2.5 Tangible fixed assets

Tangible fixed assets mainly comprise cold stores, platforms, transportation vehicles, ferries and office buildings. With regard to fixed assets revalued prior to 1 January 2004, the date of transition to IFRS, their restated values were presumed to correspond to their purchase cost on this date.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful life. The depreciable amount is the acquisition cost, except for recent warehouses and platforms, for which the depreciable amount is 90% of the acquisition cost. Where some construction components have a useful life that is less than the useful life of the whole construction, they are depreciated over their own useful lives. Land is not depreciated. The useful lives, which are estimated from new delivery, are as follows:

- Warehouses and platforms 25 – 30 years
- Later extensions 20 years
- Head office buildings 40 years
- Equipment and production facilities 10 years
- Fixtures and fittings 6 – 10 years
- Vessels 20 years
- Transportation equipment 5 – 9 years
- Office furniture 7 – 10 years
- Computer equipment 3 – 5 years

The borrowing costs directly attributable to the purchase, construction and production of a qualifying asset are incorporated into the cost of the asset. Qualifying assets are vessels bought new, where the duration of construction greatly exceeds 12 months.

2.6 Non-derivative financial assets

Financial assets include debts related to operations, cash, cash equivalents, equity investments classified as available for sale, loans and deposits and bonds. They are initially recognised at fair value increased by the acquisition costs, except in the case of assets measured at fair value through profit and loss.

Trade receivables and other operating receivables with short maturities are recorded on the asset side of the balance sheet at their nominal value, which is close to their fair value. In the event of failure by debtors and an objective indication of a loss in value, trade receivables are subject to an impairment charge, so that their net amounts reflect expected cash flows.

Interest-free loans granted to organisations as part of the mandatory contribution of employers to the construction effort are recorded initially at fair value which corresponds to their discounted value on the date the loans are paid. The difference between the discounted value and the sum paid is charged as an expense at the time of payment.

Equity investments (Group's investments in the share capital of unconsolidated companies) are classified as held for sale and stated at their fair value, future changes in fair value being accounted for in other comprehensive income, except for impairment which is reported in profit and loss. Non-listed instruments, the fair value of which cannot be determined with certainty, are valued at cost, less, where appropriate, the accumulated subsequent depreciation. The impairments accounted for from the equity instruments are never subsequently reversed through profit or loss (the realised gain is however accounted for in the income statement on the sale).

Cash equivalents are short-term, highly liquid investments that are easily convertible to a known amount of cash and which are subject to a negligible risk of a change in value. The STEF Group opted to manage these assets at fair value, subsequent changes in fair value are recorded in profit and loss.

2.7 Impairment of goodwill and fixed assets

IAS 36 prescribes how to ensure that the carrying value of intangible (including goodwill) and tangible fixed assets does not exceed their recoverable value.

This verification is performed systematically, once a year, for goodwill, intangible items with an indeterminate life time and those under development. It is performed for other fixed assets when there is an indication of loss in value.

The recoverable value of an asset is the highest value between its value in use and its fair value, net of costs to sell. The value in use of an asset is the discounted value of future cash flows expected from its use. Fixed assets that do not produce sufficiently autonomous cash flows are grouped into cash-generating units, which correspond to the smallest groups of fixed assets producing autonomous cash flows. Goodwill is assigned to the cash-generating units that benefit from the synergies of the corresponding business combinations.

The forecast future cash flows of a fixed asset or cash-generating unit are determined on the basis of a 5-year budget projection and a final value determined by capitalising a normative cash flow obtained by extrapolating the most recent cash flow from the business plan and assigning a growth rate specific to the activity concerned. The cash flows thus obtained are discounted at a determined rate of return on the basis of the weighted average cost of capital.

An impairment charge is recognised if the book value of a fixed asset or cash-generating unit is greater than its recoverable value. This impairment is first assigned to reducing the book value of any goodwill recognised for the cash-generating unit, then to reducing the book values of the unit's other assets. A write-down of goodwill cannot be reversed.

2.8 Inventories

The main inventories comprise fuel, spare parts, commercial packaging, consumable materials and goods from the catering business. They are valued at their purchase cost, primarily using the first-in/first-out method (FIFO). Damaged stocks are subject to impairment charges, which are determined on the basis of their probable realisable values.

2.9 Non-current assets held for sale

Non-current assets (or groups of assets and liabilities held for sale), the book value of which will mainly be recovered through a sale rather than by their continued use, are classified on the balance sheet as assets held for sale. Once classified under this heading, they are recorded at the lowest amount between their book value and their fair value less costs to sell. Depreciable intangible fixed assets and tangible fixed assets are no longer amortised/depreciated once classified as assets held for sale.

2.10 Income tax

The expense (or income) from income tax includes, on the one hand, the tax payable for the year, and, on the other hand, the expense or income from deferred taxes. Payable and deferred taxes are recorded in profit and loss unless they are related to a business combination or to elements that are posted directly to equity or to other comprehensive income, in which case they are recorded in equity or in other comprehensive income.

Deferred taxes are calculated by tax entity when there are temporary differences between the book values of assets and liabilities and their tax values. They are valued by applying the tax rates that will be in force when the temporary differences are settled, on the basis of tax legislation adopted or virtually adopted on the balance sheet date.

Deferred tax assets are only reported under deductible temporary differences and tax loss carry forwards and unused tax credits when it is likely that the tax entities concerned will have future taxable profits against which these tax assets could be charged. They are reviewed at each balance sheet date.

The Tax Credit for Competitiveness and Employment (Crédit d'Impôt pour la Compétitivité et l'Emploi) granted to companies by the French government from 1 January 2013, is determined annually on the basis of remunerations less than or equal to 2.5 times the minimum wage. This income is recorded as a reduction in payroll expenses.

2.11 Staff benefits

POST-EMPLOYMENT BENEFITS

Post-employment defined benefits granted by the Group are recorded in liabilities, as and when rights are acquired. They are evaluated using the actuarial projected unit credit method, applied to an estimate of the salaries when indemnities are paid. The actuarial gains resulting from changes in assumptions, differences between the forecasts and the paid amounts are recorded in other items of comprehensive income.

The fair value of the ring-fenced funds managed by insurance companies to cover the commitment are deducted from the liabilities. The differences between actual return on ring-fenced funds and financial income recorded in profit and loss, based on the actuarial rate selected for calculating the actuarial liability are recorded in other items of comprehensive income.

OTHER LONG-TERM BENEFITS

The other long-term benefits are remunerations paid more than one year after the end of the period during which the service was provided by the employee. They are recorded as and when employees acquire rights and are determined in the same way as retirement bonuses. However, the resulting actuarial gains are immediately recorded in profit and loss.

The provisions for post-employment benefits and other and long-term benefits are determined by an independent actuary.

2.12 Non-derivative financial liabilities

Financial liabilities include loans, financial debt and liabilities generated by operations (trade account payables and other). At the time of their initial recognition, they are valued at their fair value, net of transaction costs. In the case of operating liabilities, because their maturities are very short, their fair value equals their nominal value. Financial liabilities are subsequently amortised by the effective interest method.

At 31 December 2013, the Group had no compound instruments.

2.13 Derivatives

Derivatives are used by the Group to manage its exposure to the interest rate risk associated with its debt. These instruments are initially stated at fair value. Even where the Group's objective is to hedge a risk financially, some derivatives do not fulfil the conditions imposed by standard IAS 39 to qualify as accounting hedges. In this case, subsequent changes in value are recorded in profit and loss.

Where a derivative could be qualified as a hedging instrument, the subsequent changes in fair value are accounted for as follows:

- where they are fair value hedges (exchange of fixed interest payments for floating interest payments), they are stated in profit and loss, under the same heading as adjustments in fair value of the hedged liability;
- where they are future cash flow hedges (exchange of floating interest payments for fixed interest payments), they are recorded in other comprehensive income, for the efficient portion of the hedge, and are subsequently transferred to the income statement when the interest rates being hedged are recognised. The inefficient portion is stated in profit and loss.

2.14 Provisions

Provisions are liabilities where the maturities or the amount entail a certain amount of uncertainty. They are recognised when the Group has to deal with an actual, legal or implicit obligation arising from past events and when the obligation can be reliably estimated and when it is likely that this will result in an outflow of funds. They are created at an amount equal to that which is most likely to be disbursed.

The provisions for commercial disputes after damage occurring during the execution of transportation and logistics services are measured on a case by case basis through claims received or known at the balance sheet date of each financial year.

2.15 Treasury shares

The amounts disbursed by the Group to buy STEF shares (treasury shares) are accounted for as a deduction from equity. Where the treasury shares are sold or put back into circulation, the amounts collected offset the equity. The disposal of treasury shares as a transaction between shareholders does not generate any profit.

2.16 Finance leases

STEF uses finance leases to finance a part of its tangible fixed assets, such as carrier and semi-trailer vehicles and operating property (warehouses, platforms). These finance leases are considered as funding when they transfer most of the risks and the benefits of the leased assets to the Group; that is, in particular, when the leases give the Group the right to become the owner at the end of the lease, under conditions that are sufficiently beneficial when the leases are entered into, if it should be very likely that the Group will exercise its option to purchase at the end of contract.

When, during its implementation, a finance lease has financing characteristics, the tangible fixed assets are recognised under assets for an amount equal to their fair value or, if the fair value is less, to the present value of minimum future rents; in return, a corresponding debt is recorded in liabilities, which is reduced as and when the rent is paid, for the part corresponding to the amortisation of the debt.

Rent due under operating leases is paid during the periods for which they are called for payment. In the case of sliding scale rents, STEF staggers them on a straight-line basis over the duration of the lease and records rent surpluses as prepayments under assets.

2.17 Currency translation

Accounts receivable and accounts payable denominated in foreign currencies are translated at the applicable exchange rates at the balance sheet date. The corresponding exchange rate changes are recorded in profit and loss, except for those relating to receivables and payables which belong, in substance, to net investments in foreign subsidiaries and that are recognised in other comprehensive income.

The assets and liabilities of foreign subsidiaries whose functional currencies are not the euro are translated at the applicable exchange rate at the balance sheet date. Income and expenses are translated at the period's average exchange rate, which, provided there are no significant exchange rate changes, is taken as being close to the applicable exchange rates on the transaction dates. The resulting exchange rate changes are recorded in other comprehensive income.

2.18 Income from ordinary activities

Income from ordinary activities is measured at the fair value of the consideration receivable, net of granted discounts and remissions. It is recorded when it is likely that the consideration will be collected and when the extent at which the services have been rendered and the associated costs can be reliably measured, regardless of the activity concerned.

The income from transportation activities is recorded when the service has been rendered.

Income from logistics activities is recorded as the rendering of services proceeds.

Income from maritime activities includes the contributions from the Corsica Transportation Office provided for under the public service concession contract.

2.19 Segment information

An operational segment is a component of the Group:

- that is engaged in activities from which it is likely to receive income and to incur expenses, including income and expenses related to transactions with other components of the Group;
- the operating profit or (loss) of which is regularly examined by general management with a view to making decisions regarding the resources to be allocated to the segment and assessing its performance;
- and for which separate financial information is available.

2.20 Presentation options

The Group has chosen to present, by nature, the operating expenses in the income statement.

The costs of the defined benefit pension plan for the financial year are included in the operating expenses for the total amount including the financial component.

The "other operating income and expenses" include capital gains and losses on disposals of non-current assets, impairments of non-current assets and the operating income and expenses of significant amounts related to unusual events or operations and which are likely to affect the comparability of the financial years.

Net foreign exchange gains and losses are presented in financial income (net gain) or in financial expenses (net loss).

Cash flows generated by the activity are presented in the cash flow statement, using the indirect method.

2.21 New standards, amendments and interpretations not yet applicable

A number of standards, amendments to standards and interpretations adopted by the European Union on 31 December 2013 were not in force for the year which closed on 31 December 2013, and have not therefore been applied in the preparation of the consolidated financial statements.

The standards IFRS 10 "Consolidated financial statements", IFRS 11 "Joint arrangements" and IFRS 12 "Disclosure of interests in other entities" are applicable in particular in the European Union for financial years beginning on or after 1 January 2014. These are associated with the amendments to IAS 27 (2011) "Separate financial statements" and IAS 28 (2011) "Shares in associated companies and joint ventures".

The Group did not want to apply these standards early but concluded, on the basis of a preliminary analysis, that the impact on the Group's consolidated accounts will be insignificant.

2.22 Non-accounting indicators

The Group presents the following performance indicators in its financial statements:

EBITDA: this indicator is equal to the operating profit before depreciation and amortisation of fixed assets, impairment of fixed assets including the loss in value of intangible items, allocations to/(reversals of) provisions and negative goodwill.

Net debt: this indicator is equal to the total current and non-current financial liabilities, less cash and cash equivalents.

NOTE 3 SCOPE OF CONSOLIDATION

3.1 Change in scope

	Subsidiaries	Associated companies	Total
NUMBER OF COMPANIES AT 31 DECEMBER 2012:	224	9	233
EBREX FRANCE	1		
EBREX France LOGISTIQUE (renamed STEF Logistique Salon de Provence)	1		
SCI ACTIXIA (renamed SCI FRESH 5)	1		
SCI ACTIBREX (renamed SCI FRESH 7)	1		
SDR SICILIA (liquidation)	-1		
NUMBER OF COMPANIES AT 31 DECEMBER 2013:	227	9	236

3.2 Changes in 2013

3.2.1 Acquisitions, start-ups

During the 2013 financial year the Group:

- acquired 100% of the share capital of EBREX France and its subsidiary EBREX Logistique France in October, now renamed STEF Logistique Salon de Provence;
- acquired all of the shares in SCI Actixia (renamed SCI FRESH 5) and SCI Actibrex (renamed SCI FRESH 7), in November along with the 12 property sites which they own freehold and the debts related to their financing. These sites are operated by the EBREX companies.

3.3 Changes in 2012 (reminder)

3.3.1 Acquisitions, start-ups

During the 2012 financial year the Group:

- acquired 100% of the share capital of Friomerk and its subsidiary Euromerk (Spain) in March;
- increased its shareholding in the company GEFA to 34.02% in April;
- acquired 100% of the share capital of the company KL Services in October.

3.4 Business combinations

3.4.1 2013 financial year

In October 2013, the Group acquired all the share capital in the EBREX companies. The temporary impact of this acquisition is described in the table below.

Names of acquired entities	EBREX France and its subsidiary STEF LOGISTIQUE SALON DE PROVENCE	
Business activity	Road haulage and temperature-controlled logistics	
Location	THIAIS (France)	
Acquisition date	1 October 2013	
Percentage of acquired equity instruments conferring voting rights	100%	
Details of activities the Group decided to terminate	None	
Issue of equity instruments	No	
	In thousands of euros	
Cost of the combination paid in cash*	€10,000 K	
Fair value of acquired assets and assumed liabilities	(€10,307 K)	
Goodwill (Profit on acquisition)	€20,307 K	
	from 01/01 to 30/09/2013	since the acquisition**
Turnover	€99,254 K	€32,754 K
Operating profit (loss)	-€5,627 K	-€891 K

*of which €1.25 million of payment deferred. **Attributable to STEF Group shareholders

NB: The acquisition of the shares in SCI Actixia and Actibrex was treated as an acquisition of individual assets outside the scope of the IFRS 3 standard "Business combinations".

3.4.2 2012 financial year (reminder)

Names of acquired entities	FRIOMERK and its subsidiary EUROMERK		KLS		GEFA	
Business activity	Frozen products logistics		Out-of-home catering logistics		Cold storage	
Location	Valence (Spain)		Evry-Lisses (France)		Clermont-Ferrand (France)	
Acquisition date	1st March 2012		28 October 2012		1st April 2012	
Percentage of acquired equity instruments conferring voting rights	100%		100%		34.02% (equity method)	
Details of activities the Group decided to terminate	None		None		None	
Issue of equity instruments	No		No		No	
	IN THOUSANDS OF EUROS		IN THOUSANDS OF EUROS		IN THOUSANDS OF EUROS	
Cost of the combination paid in cash	€2,885 K		€1		€3,333 K	
Fair value of acquired assets and assumed liabilities	€2,558 K		€246 K		N/A	
Goodwill (Profit on acquisition)	€327 K		(€246 K)			
	from 01/01 to 28/02/2012	since the acquisition*	from 01/01 to 28/10/2012	since the acquisition*	from 01/01 to 31/03/2012	since the acquisition*
Turnover	€367 K	€1,199 K	€75,168 K	€16,670 K		
OPERATING PROFIT (LOSS)	€54 K	€40 K	(€3,244 K)	(€111 K)	N/A	

*Attributable to STEF Group shareholders

3.5 Acquisition of minority interests

None

3.6 Sale/liquidation of company

The Group wound up the company SDR Sicilia on 5 December 2013.

As a reminder, in September 2012, the Group sold the shares in the company Chais de la Transat and its subsidiary Magasins de Bord des Paquebots at the book value of the assets and liabilities. This was a retail wine distribution company.

NOTE 4 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

4.1 Comparability of financial years

The impact of the retrospective application of the amendment to the revised IAS 19 standard on the accounts published on 31 December 2012 is presented below:

BALANCE SHEET	31/12/2012 published	restatement revised IAS 19	31/12/2012 restated
Deferred tax assets	25,266	3,163	28,429
EQUITY AND LIABILITIES			
Equity, Group share	383,599	-7,046	376,553
Non-current provisions	23,512	10,209	33,721
DEBT/ EQUITY RATIO	1.08	0.02	1.10

INCOME STATEMENT	31/12/2012 published	restatement revised IAS 19	31/12/2012 restated
Payroll expenses	(677,241)	(318)	(677,559)
OPERATING PROFIT	96,636	(318)	96,318
Tax expense	(28,843)	115	(28,728)
PROFIT FOR THE PERIOD	55,440	(203)	55,237
EARNINGS PER SHARE	4.32	-0.02	4.30

OTHER ITEMS OF COMPREHENSIVE INCOME	31/12/2012 published	restatement revised IAS 19	31/12/2012 restated
Actuarial gains and losses on pension plans		(6,034)	(6,034)
Tax expense on non-recyclable items		2,178	2,178
Other items of comprehensive income, net of income tax which are not subsequently reclassified into income	**0**	**(3,856)**	**(3,856)**

CASH FLOW STATEMENT	31/12/2012 published	restatement revised IAS 19	31/12/2012 restated
PROFIT FOR THE PERIOD	55,440	(203)	55,237
+/- Net depreciation, amortisation, impairment of non-current assets and provisions	78,374	318	78,692
- Deferred tax	(4,723)	(115)	(4,838)

4.2 Segment information

Segment information comprises an analysis of the consolidated data by activity and by geographical area. The segment information shown below arises from how the Group is organised and its internal reporting.

Readers are reminded that, in accordance with IFRS 8 "Operational segments", the Group identifies and presents four operational segments based on the information sent internally to senior managers, who are the main operational decision makers for the Group.

These four segments represent the Group's four main divisions, each of which conducts its operations in France through two separate subsidiaries, STEF Logistique for logistics and STEF Transport for transportation. The Group's international business is developed through local transportation and logistics companies. The maritime activity is quite separate. Information on the results of the segments is shown in the tables below. The performance of each segment is assessed by the executive management based on their operating profit or loss.

4.2.1 Information by segment

2013	Trans-portation	Logistics	International	Maritime	Others	Consolidated data
Turnover from activities	1,161,362	464,689	512,988	108,408	385,681	2,633,128
Profit (loss) from recurring operations	**55,052**	**14,440**	**17,324**	**1,707**	**(1,068)**	**87,454**
Other operating income and expenses	3,714	6,705	315	17	(828)	9,923
Operating profit (loss) of activities	**58,765**	**21,145**	**17,639**	**1,724**	**(1,896)**	**97,377**
Net financial expenses	(2,934)	(2,039)	(3,698)	(6,294)	1,219	(13,746)
Income tax	(16,576)	(10,701)	(5,364)	(37)	7,449	(25,229)
Profit attributable to shareholders of associated companies	0	150	179	0	1,493	1,821
NET INCOME						60,223
Activities' assets	769,943	320,515	429,844	175,488	88,681	1,784,470
Unallocated assets						-
TOTAL ASSETS						1,784,470
of which goodwill	86,852	1,216	33,823	8,128	1,542	131,561
of which non-current assets held for sale		1,010				1,010
of which associated companies	0	3,916	2,374	0	8,499	14,789
Activities' liabilities	480,263	107,492	190,766	27,978	35,477	841,975
Unallocated liabilities and equity						942,495
TOTAL LIABILITIES						1,784,470
Depreciation, amortisation and impairment recorded in the financial year	25,106	17,951	17,299	12,259	11,069	83,684

2012[1]	Trans-portation	Logistics	International	Maritime	Others	Consolidated data
Turnover from activities	1,133,148	437,475	505,532	107,811	318,303	2,502,269
Profit (loss) from recurring operations	**60,499**	**16,314**	**12,337**	**(2,913)**	**(439)**	**85,798**
Other operating income and expenses	7,277	2,661	494	181	(93)	10,520
Operating profit (loss) of activities	**67,776**	**18,975**	**12,832**	**(2,732)**	**(532)**	**96,319**
Net financial expenses	(2,122)	(1,529)	(4,280)	(6,325)	486	(13,770)
Income tax	(20,902)	(7,444)	(3,831)	1,363	2,086	(28,728)
Profit attributable to shareholders of associated companies	0	205	164	0	1,048	1,417
NET INCOME						55,238
Activities' assets	523,432	361,452	452,273	188,684	151,621	1,677,462
Unallocated assets						-
TOTAL ASSETS						1,677,462
of which goodwill	57,102	10,580	33,823	8,128	1,542	111,175
of which non-current assets held for sale	715					715
of which associated companies	0	3,766	2,323	0	7,743	13,832
Activities' liabilities	315,764	133,996	244,109	26,644	67,168	787,681
Unallocated liabilities and equity						889,781
TOTAL LIABILITIES						1,677,462
Depreciation, amortisation and impairment recorded in the financial year	21,833	24,421	16,943	15,347	2,712	81,255

(1) The published figures for 31 December 2012 have been restated to take account of the impact related to the retrospective application of the revised IAS 19 standard. Staff benefits (cf paragraph 4.1).

The activities grouped under "Other" mainly comprise trading for the foodservice business (not incorporated in a sector), the holding company's activity and computer services provided to customers.

The divisions' assets comprise all the balance sheet assets. Liabilities that are not allocated are financial liabilities, which, in so far as the Group's financing is provided by a central structure, cannot be reasonably allocated.

4.2.2 Information by geographical area

	France	Other regions	Consolidated data
2013			
Turnover	2,064,084	569,044	2,633,128
Areas' non-current assets	825,964	274,204	1,100,168
2012			
Turnover	1,852,179	650,090	2,502,269
Areas' non-current assets	736,885	271,810	1,008,695

4.3 Purchases from third parties

	2013	2012
Purchases other than energy (including catering goods)	390,457	319,553
Purchases of diesel and other fuels	142,479	149,625
Purchases of other energy	42,461	40,885
Subcontracting	743,513	710,430
Rent and lease expenses	78,663	77,103
Maintenance	66,019	68,855
External staff and intermediaries' wages and salaries	141,162	130,257
Insurance and losses	45,859	43,975
External services and miscellaneous	65,651	63,556
TOTAL:	1,716,264	1,604,238

The subcontracting line item mainly includes chartering and traction expenses linked to transportation activities.

The impact of the changes in scope is reflected by an increase in this item of €93.5 million which includes the EBREX companies in the last quarter of 2013 for €21.8 million and the full year effect in 2013 of the company KLS for €71.7 million (just 2 months in 2012).

4.4 Payroll expenses

	2013	2012(1)
Salaries and other compensation	468,298	454,212
Social security contributions	197,340	199,860
Net length-of-service awards payable to staff on retirement	4,173	3,856
Employee incentive bonuses and profit-sharing	18,823	19,631
TOTAL:	688,634	677,559

(1) The published figures for 31 December 2012 have been restated to account for the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

Social security contributions include the costs of long-service awards for the financial year. The items relating to commitments in terms of length-of-service awards payable to employees on retirement are shown in Note 4.22.

The income from the CICE tax measure positioned as a reduction in social security contributions represented €11.7 million in 2013.

4.5 Charges net of reversals to provisions

	2013	2012
Depreciations of inventories	22	(20)
Depreciations of trade accounts receivable	(299)	(650)
Impairment of other financial assets	(451)	253
Net changes in provisions	1,208	4,462
TOTAL:	480	4,045

Changes in provisions are analysed in Note 4.23.

4.6 Other operating income and expenses

	2013	2012
Gains on fixed asset sales	1,738	9,521
Negative goodwill		246
Gains on sale of other tangible fixed assets (vehicles and other)	1,147	1,413
Insurance payments on property claim	6,983	
Miscellaneous	55	(660)
NET AMOUNT	9,923	10,520

The net capital real estate gains or losses in 2013 relate to the sale of the sites in Nantes and Saint Jean de Braye. Saint Jean de Braye has been recorded in assets intended for sale since 2011.

As a reminder, in 2012, real estate gains mainly concerned the sale of sites that were no longer used, including: Toulouse / Colomiers, Carquefou, Saint Egrève and Limoges.

The insurance payment relates to a fire on a site in Lyon in 2012. It represents the excess for the payment received compared with the compensated expenses.

4.7 Financial income and expenses

	2013	2012
Financial income		
Net income from assets held for sale	810	704
Dividends received from assets held for sale	9	108
Financial expenses		
Interest expenses on financial liabilities measured at amortised cost	(14,565)	(14,574)
Ineffective portion of hedging instruments		(8)
NET FINANCIAL EXPENSES	(13,746)	(13,770)

The Group's debt is mainly floating rate debt (see Note 4.25).

The financial income benefited from lower rates (Euribor 3M at 0.22% on average in 2013 compared with 0.57% in 2012) despite the increased debt.

4.8 Income tax expense

Breakdown of the income tax expense in the income statement:

	2013	2012(1)
Current tax expense		
- Tax of 3% on dividends	(560)	
- Other	(21,469)	(33,586)
Total current tax expense	(22,029)	(33,586)
Deferred tax expense/income	(3,200)	4,858
TOTAL INCOME TAX EXPENSE	(25,229)	(28,728)

(1) The published figures for 31 December 2012 have been restated to account for the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

Breakdown of the difference between theoretical tax expense calculated based on the rates of tax applicable to the parent company and the actual expense:

	2013	2012(1)
Profit before tax	83,631	82,548
Theoretical tax at the rate of (current tax):	38.00%	36.10%
	(31,780)	(29,800)
Income from CICE not subject to tax	4,471	
Impact of the profits from the maritime business subject to tonnage tax	(142)	(379)
Fiscal effect of the financing of the Piana	3,533	3,305
Losses not giving rise to deferred tax assets	(849)	(1,156)
Difference in foreign tax rates	1,091	278
Impact of the share of costs and expenses on dividends	(969)	(732)
Tax of 3% on dividends	(560)	
Other tax impacts	(25)	(244)
EFFECTIVE TAX	(25,229)	(28,728)
EFFECTIVE RATE OF TAX	30.17%	34.80%

(1) The published figures for 31 December 2012 have been restated to account for the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

4.9 EBITDA

	31 December 2013	31 December 2012
Operating profit	97,377	96,318
Net Depreciation/amortisation	83,684	81,255
Net impairment and provisions	(480)	(4,045)
Negative goodwill		(246)
TOTAL EBITDA	180,581	173,282

4.10 Goodwill

	31 December 2013	31 December 2012
Net value at 1 January	111,175	110,308
Acquisition of subsidiaries and businesses	20,386	1,187
Sale of subsidiaries		-320
Impairment		
NET VALUE AT 31 DECEMBER	131,561	111,175

The line item "Acquisition of subsidiaries and businesses" concerns the acquisition of the EBREX companies.

Impairment tests were performed at the 2013 balance sheet date, in accordance with the methodology described in Note 2.7. Accordingly, the goodwill is assigned to the cash generating units (CGUs), which correspond to the Group's four operational segments.

The values in use of CGUs, which correspond to discounted future cash flows, are determined on the basis of the following main assumptions:

	Transportation	Logistics	International	Maritime
Discount rate	8.8%	8.8%	8.8%	8.8%
Long-term growth rate	1.5%	2.3%	2.4%	3.0%

The discount rate corresponds to the weighted average cost of capital including the generally accepted parameters (beta, market risk premium). This rate takes account of the tax impact.

With regard to the Maritime CGU, the future cash flows have been estimated over five years, whereas the residual value of the CGU was determined from the estimated market value of the ships as determined by experts.

BREAKDOWN OF GOODWILL BY SECTOR

	Transportation	Logistics	International	Maritime	Others	Total
Goodwill and intangible assets with an indeterminate useful life	103,056	2,416	34,811	8,334	9,354	157,971

SENSITIVITY ANALYSIS

The table below shows, for each cash-generating unit, the test margins that correspond to the difference between the recoverable value and the book value resulting, on the one hand, from a change in the growth rate (decrease of 1 percentage pt), and, on the other hand, from a change in the discount rate (increase of 1 pt).

ASSUMPTIONS USED

Normative growth rates vary from:			
Transportation	1.5%	to	0.5%
Logistics	2.3%	to	1.3%
Maritime	3.0%	to	2.0%
International	2.4%	to	1.4%
The discount rate (WACC) varies from	**8.8%**	**to**	**9.8%**

TEST RESULTS

The discount rate that would give recoverable values equal to the net book values is 17.95%.

in millions of euros	Margin of resistance to change in rates	
31/12/2013	**of growth (decrease of 1pt)**	**of discount (rise of 1pt)**
Logistics	50	42
Transportation	502	476
Maritime	108	108
International	191	178
TOTAL	851	804

4.11 Intangible fixed assets

Gross values	Software	Other intangible assets	Total
At 1 January 2012	**93,646**	**18,682**	**112,328**
Acquisitions	8,687	66	8,753
Changes in scope	121	18	139
Other changes	(16)	24	8
Sales and scrapped goods	(199)	(109)	(308)
At 31 December 2012	**102,239**	**18,681**	**120,920**
Acquisitions	8,813	2,141	10,954
Changes in scope	384	1,508	1,892
Other changes	407	(693)	(286)
Sales and scrapped goods	(4,833)	(418)	(5,251)
AT 31 DECEMBER 2013	107,010	21,219	128,229

Depreciation, amortisation and impairment	Software	Other intangible assets	Total
At 1 January 2012	**80,789**	**10,428**	**91,217**
Allocations	6,683	70	6,753
Changes in scope	172	6	178
Other movements	(142)	11	(131)
Reversals and sales	(189)	(109)	(298)
At 31 December 2012	**87,313**	**10,406**	**97,719**
Allocations	7,435	16	7,451
Changes in scope	358	1,508	1,866
Other movements	(68)	(231)	(299)
Reversals and sales	(4,804)	(114)	(4,918)
AT 31 DECEMBER 2013	90,234	11,585	101,819
Net book value at 31 December 2012	**14,926**	**8,275**	**23,201**
NET BOOK VALUE AT 31 DECEMBER 2013	16,776	9,634	26,410

4.12 Tangible fixed assets

Gross values	Land and buildings	Transportation equipment	Vessels	Others	Total
At 1 January 2012	**832,524**	**80,160**	**308,547**	**397,723**	**1,618,954**
Acquisitions	32,548	8,862		53,232	94,642
Changes in scope	4,797	33		5,036	9,866
Sales and scrapped goods	(27,460)	(3,652)		(28,213)	(59,325)
Other changes	15,484	24	(2)	(15,102)	404
At 31 December 2012	**857,893**	**85,427**	**308,545**	**412,676**	**1,664,541**
Acquisitions	64,988	8,965		64,280	138,233
Changes in scope	20,370	124		2,402	22,896
Sales and scrapped goods	(9,577)	(7,224)		(13,162)	(29,963)
Other changes	11,169	(24)		(10,681)	464
AT 31 DECEMBER 2013	944,843	87,268	308,545	455,515	1,796,171

Depreciation, amortisation and impairment	Land and buildings	Transportation equipment	Vessels	Others	Total
At 1 January 2012	**335,354**	**70,263**	**165,122**	**264,689**	**835,428**
Increases	27,875	4,529	14,770	27,328	74,502
Changes in scope	3,374	33		4,536	7,943
Sales and scrapped goods	(19,346)	(3,236)		(25,212)	(47,794)
Other changes	121	20	(3)	448	586
At 31 December 2012	**347,378**	**71,609**	**179,889**	**271,789**	**870,665**
Increases	29,800	5,741	11,755	29,187	76,483
Changes in scope	3,149	113		972	4,234
Sales and scrapped goods	(7,238)	(6,477)		(12,370)	(26,085)
Other changes	4,246	(17)		43	4,272
AT 31 DECEMBER 2013	377,335	70,969	191,644	289,621	929,569
Net book value at 31 December 2012	**510,515**	**13,818**	**128,656**	**140,887**	**793,876**
- non-current assets held for sale	(715)				(715)
- non-current assets	509,800	13,818	128,656	140,887	793,161
Net book value at 31 December 2013	**567,508**	**16,299**	**116,901**	**165,894**	**866,602**
- non-current assets held for sale	(1,010)				(1,010)
- non-current assets	566,498	16,299	116,901	165,894	865,592

At 31 December 2013, the item "Value of non-current assets held for sale" included just the Sablé site for which the final deed of sale will be signed in March 2014. Last year, this item focused on a building located in the suburbs of Orléans.

In 2013, the changes in scope were due to fixed assets from the acquisition of the EBREX companies.

In addition, the net book values given include fixed assets under construction for the amount of €32,134 thousand (compared with €18,240 thousand at 31 December 2012).

Firm orders for tangible fixed assets at 31 December 2013, not yet executed, amounted to €37,611 thousand (compared with €29,159 thousand at 31 December 2012).

The net book value of fixed assets used by the Group, through finance leases, can be broken down as follows:

	31 December 2013	31 December 2012
Vehicles	3,750	4,203
Technical installations	4,311	6,120
Platforms and warehouses	114,587	115,897
Attached land	32,953	31,894
TOTAL	155,601	158,114

4.13 Non-current financial assets

	31 December 2013	31 December 2012
Non-consolidated shareholdings	4,031	4,364
Loans and receivables	19,370	17,060
Other non-current financial assets	11,005	16,758
TOTAL	34,406	38,182

Loans and receivables mainly comprise loans paid under the employers' contribution to construction investments for the amount of €14,313 thousand in 2013 (€13,474 thousand in 2012). Other non-current financial assets mainly comprise a receivable relating to the recovery by the lending banks of a tax benefit appropriate to the financing of a vessel.

4.14 Associated companies

Investments in associated companies are referred to in paragraph 5. The data from the financial statements of associated companies consolidated by the equity method is as follows:

2013	Attributable to Group shareholders	Total turnover	Total assets	Total liabilities	Company's net assets	Group's share in turnover of equity-accounted associates	Net profit (loss)	Net profit (loss) attributable to Group
BRIGANTINE DE NAVIGATION (1)	100.00%		10	3	7	7	(7)	(7)
FROIDCOMBI	25.50%	14,997	6,212	4,539	1,673	427	247	63
GEFA	34.02%	2,604	6,535	1,562	4,973	3,917	441	150
MESSAGERIES LAITIÈRES	38.69%	62,777	38,306	23,995	14,311	6,873	2,274	880
OLANO SEAFOOD IBERICA	32.00%	20,335		(3,304)	3,304	1,403	541	173
OLANO VALENCIA	20.00%	2,543	7,288	6,176	1,112	643	40	8
SDR SUD	20.00%			(1,636)	1,636	327	(5)	(1)
STEFOVER TUNISIE	49.00%	235	175	(66)	241	161	18	9
TRANSCOSATAL DÉVELOPPEMENT	33.33%	73,194	40,074	36,983	3,091	1,030	1,638	546
TOTAL		176,685	98,600	68,252	30,348	14,789	5,188	1,821

(1) Company with no business or in administration.

2012	Attributable to Group shareholders	Total turnover	Total assets	Total liabilities	Company's net assets	Group's share in turnover of equity-accounted associates	Net profit (loss)	Net profit (loss) attributable to Group
BRIGANTINE DE NAVIGATION (1)	100.00%		10	3	7	7	(7)	(7)
FROIDCOMBI	25.50%	14,192	4,630	3,114	1,516	387	310	79
GEFA	34.02%	2,767	5,579	1,048	4,531	3,766	603	205
MESSAGERIES LAITIÈRES	38.69%	54,310	33,801	20,039	13,762	6,661	2,187	846
OLANO SEAFOOD IBERICA	32.00%	22,408	8,827	5,665	3,162	1,358	597	191
OLANO VALENCIA	20.00%	2,427	6,639	5,560	1,079	637	(70)	(14)
SDR SUD	20.00%			(1,643)	1,643	329	(70)	(14)
STEFOVER TUNISIE	49.00%	205	171	(63)	234	173	2	1
TRANSCOSATAL DÉVELOPPEMENT	33.33%	68,282	32,671	31,124	1,547	516	390	130
TOTAL		164,591	92,328	64,847	27,481	13,832	3,941	1,417

(1) Companies with no business or in administration

4.15 Deferred tax assets and liabilities

The main types of deferred tax, and their changes during the year are as follows:

2013	At 1 January 2013	Changes in profit and loss	Other changes	Changes in net comprehensive income	31 December 2013
Deferred tax assets					
Net deferred tax arising from parent company accounts	1,329	60	(346)	(101)	942
Temporary tax differences	5,721	(451)	145		5,415
Discounting of loans to construction	1,757	367			2,124
IAS 19 R actuarial gains	3,163			(404)	2,759
Fair value of hedging instruments	5,183	8	229	(2,144)	3,276
Loss carryforwards	4,911	(32)			4,879
Capitalised internal services	1,104	752			1,856
Internal profit	393	88			481
Exercise of finance leases	4,416	(6)			4,410
Leaseback	97	(15)			82
Pension provisions		(51)	1,034		983
Others	355	(317)	165		203
TOTAL DEFERRED TAX ASSETS	28,429	403	1,227	(2,649)	27,410
Deferred tax liabilities					
Additional depreciation	(12,459)	(2,509)			(14,968)
Difference in tangible fixed assets depreciation.	(1,053)	256			(797)
Fixed assets held under finance leases	(18,671)	120	(785)		(19,336)
Revaluation of fixed assets	(7,357)	245	(189)		(7,301)
Treasury share transactions	(527)	564			37
OBSAARs	(164)	211			47
Merger tax	(527)	(2,468)			(2,995)
Unrealised foreign exchange gains (losses)	(27)	46	(4)		15
Others	100	(68)	38		70
TOTAL DEFERRED TAX LIABILITIES	(40,685)	(3,603)	(940)	0	(45,228)
Deferred taxation of sold assets	(227)		227		0
NET IMPACT	(12,483)	(3,200)	514	(2,649)	(17,818)

2012	At 1 January 2012	Changes in profit and loss	Other changes	Changes in net comprehensive income	31 December 2012[1]
Deferred tax assets					
Net deferred tax arising from parent company accounts	558	642	(12)	141	1,329
Temporary tax differences	5,481	175	65		5,721
Discounting of loans to construction	2,214	(457)			1,757
IAS 19 R actuarial gains				3,163	3,163
Fair value of hedging instruments	2,507	3		2,673	5,183
Loss carryforwards	5,139	(228)			4,911
Capitalised internal services	1,091	13			1,104
Internal profit	250	143			393
Exercise of finance leases	3,668	748			4,416
Leaseback	121	(24)			97
Others	83	(97)	369		355
TOTAL DEFERRED TAX ASSETS	21,112	918	422	5,977	28,429
Deferred tax liabilities					
Additional depreciation	(11,842)	(617)			(12,459)
Difference in tangible fixed assets depreciation.	(1,391)	338			(1,053)
Fixed assets held under finance leases	(19,956)	1,578	(293)		(18,671)
Revaluation of fixed assets	(8,775)	1,418			(7,357)
Treasury share transactions	(1,292)	765			(527)
OBSAARs	(535)	371			(164)
Merger tax	(547)		20		(527)
Unrealised foreign exchange gains (losses)	3	71		(101)	(27)
Others	199	(99)			100
TOTAL DEFERRED TAX LIABILITIES	(44,136)	3,825	(273)	(101)	(40,685)
Deferred taxation of sold assets	(520)		293		(227)
NET IMPACT	(23,544)	4,743	442	5,876	(12,483)

(1) The opening deferred tax items have been restated for the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

Other changes include additions to the scope.

The Group believes that, based on the action plans undertaken locally and subsequent profit forecasts made using conservative estimates, the subsidiaries carrying these assets will in the foreseeable future have sufficient taxable profit against which the recognised deferred tax assets will be able to be charged.

All the bases for unrecognised deferred tax under loss carryforwards amounted to €46 million at the end of 2013, €26 million of which in France (€22 million from the EBREX companies) and €13 million in Italy. In 2012, these loss carryforwards represented €17 million including €13 million in Italy.

The net deferred tax positions for each country are as follows:

Deferred tax	France	Belgium	Spain	Italy	Portugal	Group total
2013	(19,008)	(1,051)	988	920	333	(17,818)
2012	(14,456)	(955)	1,561	1,043	324	(12,483)

4.16 Inventories

	31 December 2013	31 December 2012
Raw materials and supplies	16,356	14,905
Foodservice goods	24,532	20,285
Others	420	301
Total	41,308	35,491
Impairment	(28)	(50)
NET COST OF INVENTORIES	41,280	35,441

Inventories of foodservice goods result from trading activities on behalf of certain catering retailers.

4.17 Customers

	31 December 2013	31 December 2012
Gross amount of trade receivables	438,190	410,892
Impairment	(13,469)	(12,714)
NET	424,721	398,178

Changes in depreciation in the trade receivables recognised in the income statement for 2013 and 2012 are referred to in Note 4.5. There are no significant trade receivables in the sense of IFRS 8.

The entry of the EBREX companies into the Group's accounts has contributed to an increase in trade receivables of €25 million.

4.18 Cash and cash equivalents

	31 December 2013	31 December 2012
Marketable securities and investments	14,556	3,070
Cash assets	39,002	79,264
TOTAL CASH AND CASH EQUIVALENTS	53,558	82,334

4.19 Equity

The number of shares comprising the share capital is 13,515,649 shares with a nominal value of €1 at 31 December 2013. This is unchanged compared to 31 December 2012.

The Board of Directors meeting on 19 March 2014 set the dividend to be paid for the 2013 financial year at €1.50 per share (€1.45 for the 2012 financial year). This dividend is not recognised in the 2013 consolidated financial statements and will constitute a Company liability if approved by the Shareholders' Meeting.

To ensure a certain trading volume in STEF shares, the Group signed a liquidity contract with a financial institution.

4.20 Earnings per share

The non-diluted earnings per share is determined by dividing the net profit attributable to STEF shareholders by the weighted average number of shares in circulation during the year.

The weighted average number of shares in circulation is determined by taking into account (i) shares issued as a result of the exercising of stock options by the beneficiaries of these options, (ii) treasury shares acquired by the Group that are cancelled and (iii) treasury shares allocated to beneficiaries who exercise their share purchase options.

The diluted earnings per share is calculated based on a number of shares increased by the effect of exercising all these instruments.

The reconciliation between the existing shares at the beginning of the financial year and the weighted average number of shares in the calculations of the earnings per share is as follows:

	2013 financial year	2012 financial year
Number of shares comprising share capital at 1 January	**13,515,649**	**13,515,649**
- shares issued following exercise of stock options	-	-
- shares cancelled following capital reduction	-	-
Number of shares comprising share capital at 31 December (a)	**13,515,649**	**13,515,649**
- weighting of financial year's movements (b)		
Number of treasury shares held at 1 January	660,290	611,210
Purchase of shares during the period	142,509	52,029
- delivery of treasury shares following the exercise of stock options, cancellation and sale of shares	(238,758)	(2,949)
Number of treasury shares at the end of the financial year (c)	**564,041**	**660,290**
Weighting of financial year's movements (d)		
Weighted average number of shares in the financial year for calculating the non-diluted earnings (a) + (b) - (c) - (d)	**12,951,608**	**12,855,359**
Number of BSAARs	19,905	902,130
Weighting	(19,905)	(902,130)
Weighted average number of shares used for calculating the diluted earnings per share	**12,951,608**	**12,855,359**
GROUP SHARE PROFIT	**€60,223 K**	**€55,237 K**
EARNINGS PER SHARE IN EUROS:		
- Non-diluted:	4.65	4.30
- fully diluted earnings per share:	4.65	4.30

The operation conducted on the BSAAR is described in note 4.21.

4.21 Financial liabilities

	31 December 2013	31 December 2012
Non-current financial liabilities		
Bank borrowings and drawdowns of confirmed lines of credit of more than one year	314,110	226,704
Liabilities associated with finance leases	63,016	71,804
Fair value of financial derivatives	7,885	14,697
TOTAL NON-CURRENT DEBTS	385,011	313,205
Current financial liabilities		
Portion at less than one year of:		
- Bond issue	264	99,422
- Bank loans and spot lines of credit	61,759	36,454
- Liabilities associated with finance leases	12,927	9,777
- Miscellaneous financial liabilities	2,538	783
Accrued interest not yet due	1,888	1,557
Fair value of financial derivatives	4,060	1,028
Bank overdrafts and short-term loans	45,830	39,362
TOTAL CURRENT DEBTS	129,266	188,383
TOTAL FINANCIAL LIABILITIES	514,277	501,588

As a reminder, in July 2008, while maintaining the preferential subscription right STEF issued bonds for a nominal amount of €100 million comprising 452,488 bonds with redeemable share subscription and/or purchase warrants (OBSAARs), 2 warrants (BSAARs) being attached to each bond. 98% of the bond issue was subscribed to by a French banking group and the remainder by the public.

The banks sold all BSAARs attached to the bonds to which they had subscribed to shareholders of the Company as well to a hundred or so of the Group's executives.

Upon issue, the bonds were listed for trading on Euronext Paris' Eurolist market. The bonds were redeemable on 22 July 2013 and had an annual fixed rate of interest of Euribor 3 months minus 0.23%. STEF had the right to redeem, in part or in full, the bonds at any time, at face value plus the interest owing from the last interest period. The bonds' bearers had the right to request the early redemption of bonds in the event that there was any change in the control of the Company or in some cases of early redemption, including the failure to meet certain financial ratios.

Each BSAAR gave its bearer the right to subscribe to a new STEF share or acquire an existing STEF share at the price of €51.20. The warrants were transferable from 21 July 2010 and could be exercised from this date until 20 July 2015. They were redeemable at the sole option of STEF at the unit price of €0.01 from 22 July 2013 until 20 July 2015 should the product of the share price and the exchange ratio exceed €71.69. Bearers of the warrants could however avoid such redemption by exercising their BSAARs before the date set for redemption.

The net proceeds from the issue amounted to €98.8 million.

This €100 million bond issue was repaid in July 2013.

On 20 November 2013, STEF issued a repurchase offer for the BSAAR and payment of the price of these in STEF treasury shares. Each BSAAR bearer was offered the repurchase of the BSAAR that they owned, at the rate of one STEF share for twelve BSAAR. Of the 902,128 existing BSAAR, 882,223 BSAAR were repurchased by STEF to be cancelled. 73,430 STEF shares were used in exchange. The 19,905 BSAAR that were not tendered in the offer remain listed for their initial term.

The characteristics of the bank loans and credit lines are presented in note 4.25.

The maturities of financial liabilities at 31 December 2013 and 31 December 2012 are shown below:

2013	Total	Less than one year	Maturities of more than one and less than five years	Over 5 years
Bond issue	264	264		
Bank loans and credit line drawdowns	375,868	61,759	208,858	105,251
Finance leases	75,943	12,927	37,356	25,660
Bank overdrafts	45,830	45,830		
Miscellaneous financial liabilities	16,372	8,487	8,618	(733)
	514,277	129,267	254,832	130,178

2012	Total	Less than one year	Maturities of more than one and less than five years	Over 5 years
Bond issue (OBSAARs)	99,422	99,422		
Bank loans and credit line drawdowns	263,158	36,454	100,486	126,218
Finance leases	81,581	9,777	44,184	27,620
Bank overdrafts	39,362	39,362		
Miscellaneous financial liabilities	18,065	3,368	38	14,659
	501,588	188,383	144,708	168,497

The Group's exposure to exchange rate, interest rate and liquidity risk due to its financial liabilities is analysed in Note 4.25.

4.22 Staff benefits

This note concerns post-employment defined benefits which include the length-of-service awards payable on retirement in France and the termination benefits in Italy on the one hand and other long-term benefits including long-service awards in France on the other.

The net values reported in the balance sheet are broken down as follows:

	31 December 2013	31 December 2012[1]
Length-of-service awards payable on retirement		
- Actuarial liability	47,202	43,912
- Hedge assets	(27,692)	(27,009)
subtotal Length-of-service awards payable on retirement	19,510	16,903
Long-service awards	10,023	9,203
TOTAL	29,533	26,106

The change in actuarial liability is presented as follows:

	31 December 2013	31 December 2012[1]
Amount at 1 January	43,912	35,963
Projected actuarial liability at 31 December	48,336	36,538
Actuarial gains related to:		
- demographic assumptions	(1,845)	(1,266)
- financial assumptions	(1,166)	5,642
- experience adjustments	1,877	2,998
AMOUNT AT 31 DECEMBER	47,202	43,912

(1) The published figures for 31 December 2012 have been restated to take account of the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

The payment schedule for theoretical benefits is as follows:

Years	2014	2015	2016	2017	2018	Beyond	Total
Payment of theoretical benefits	2,998	1,378	1,889	2,844	2,645	35,448	47,202

The reconciliation of the value of hedge assets at the opening and closing balance sheet dates of past financial years, is presented below:

Fair value of ring-fenced assets at 31 December 2011	**26,148**
Financial income for 2012	720
Difference between actual return and recorded income	222
Repayments on services received of funds	(81)
Fair value of ring-fenced assets at 31 December 2012 (1)	**27,009**
Financial income for 2013	810
Repayments on services received of funds	(127)
Fair value of ring-fenced assets at 31 December 2013	**27,692**

Ring-fenced funds, managed in euros, are deposited with institutional investors in France. They benefit from a capital guarantee and, for the most part, from a minimum return guarantee. The funds' objectives are mainly security and consistency (guaranteed capital) or diversification of a small part of the fund to maximise return.

The change in length-of-service awards payable on retirement reported on the balance sheet is as follows:

	31 December 2013	31 December 2012(1)
Amount at 1 January	16,903	16,601
Expenses for the year (see below)	4,173	3,825
Business combinations	2,939	(122)
Change in actuarial gains	(1,509)	
(Premiums paid) / payments received from insurance companies	128	112
Benefits paid	(3,124)	(3,513)
AMOUNT AT 31 DECEMBER	19,510	16,903

The expenses for the year are detailed below:

	31 December 2013	31 December 2012(1)
Rights acquired during the year	3,911	3,260
Financial cost of undiscounting the actuarial liability	1,072	1,286
Forecast return on ring-fenced funds	(810)	(721)
EXPENSES FOR THE YEAR	4,173	3,825

(1) The published figures for 31 December 2012 have been restated to take account of the impact related to the retrospective application of the revised IAS 19 standard "Staff Benefits" (cf. paragraph 4.1).

Expenses for the year were recorded as operating expenses. Ring-fenced funds, managed in euros, are deposited with institutional investors in France. They benefit from a capital guarantee and, for the most part, from a minimum return guarantee. The ring-fenced funds with insurance companies are comprised of assets in euros (main component) and diversified assets, some offering a minimum rate guarantee and in all cases a capital guarantee.

The main assumptions used to measure the actuarial liability of commitments of length-of-service awards payable on retirement, are as follows:

	31 December 2013	31 December 2012
Discount rate	3.00%	2.75%
Forecast rate of increase of workforce	3 or 3.5%	3 or 3.5%
Forecast rate of return of ring-fenced funds	3%	4%
Retirement age	58 – 62 years of age	58 – 62 years of age
Mortality table	TGH 05 and TGF 05	TGH 05 and TGF 05

The retirement age depends on the employees' classification and the sectors of activity in which they are employed. Moreover, it is assumed that employees leave the Group based on a request for voluntary departure. The benefits paid to them in France are therefore subject to social security contributions in accordance with the Fillon law of 2003 and subsequent social security financing laws.

A sensitivity test was performed with discount rates differing by 0.25% compared to the above rates. This results in a decrease in the commitment of 2.76% or an increase of 2.90% depending on whether the discount-rate increments are added or subtracted.

4.23 Provisions

The detail of the provision for risks and expenses on the balance sheet is as follows:

	31 December 2013	31 December 2012
Length-of-service awards payable on retirement (cf note 4.22)	19,510	16,903
Long-service awards	10,023	9,203
Dispute provisions	12,606	11,011
Other provisions	6,406	8,249
TOTAL	48,545	45,366

The change in provisions, other than those relating to length-of-service awards payable on retirement is presented as follows:

	Long-service awards	Disputes	Others	Total
At 1 January 2013	**9,203**	**11,011**	**8,249**	**28,463**
Changes in scope		1,036		1,036
Other changes	58		(69)	(11)
Allocations	2,079	10,270	1,263	13,612
Reversals	(1,317)	(9,711)	(3,037)	(14,065)
At 31 December 2013	**10,023**	**12,606**	**6,406**	**29,035**
Non-current	10,023	2,960	2,904	15,887
Current		9,646	3,502	13,148
AT 31 DECEMBER 2013	10,023	12,606	6,406	29,035

	Long-service awards	Disputes	Others	Total
At 1 January 2012	**7,715**	**12,064**	**9,474**	**29,253**
Changes in scope		(20)	2,035	2,015
Other changes			(135)	(135)
Allocations	1,818	9,296	1,815	12,929
Reversals	(330)	(10,329)	(4,940)	(15,599)
At 31 December 2012	**9,203**	**11,011**	**8,249**	**28,463**
Non-current	9,203	3,645	3,970	16,818
Current		7,366	4,279	11,645
AT 31 DECEMBER 2012	9,203	11,011	8,249	28,463

The provision for disputes covers, for the current portion of the income statement, the costs incurred from loss or damage occurring during transportation, handling or storage services, and, for the non-current portion of the income statement, the consideration of risks arising from various disputes.

The other provisions cover tax and social risks as well as risks related to the maritime business.

4.24 Dilutive instruments

The BSAAR were subject to an exchange transaction in November 2013 (note 4.21).

Attribution date	Number of options	Exercise price in euros	Duration of options from grant date
22-July-2008- BSAAR	904,976	51.20	7 years
Options exercised on previous years	(2,846)	51.20	
Options exercised in 2013	(2)	51.20	
Options provided under the repurchase offer of 11-2013	(882,223)	4.14	
NUMBER OF BSAARS REMAINING AT 31/12/2013	19,905	51.20	7 YEARS

4.25 Financial risk management

CUSTOMER CREDIT RISK

No customer accounts for more than 5% of the Group's turnover, which limits the risk that the bankruptcy of one customer could have a significant impact on the Group's financial position. The Group has credit insurance covering it against the risk of bankruptcy of its customers, which is constantly renewed.

Financial investments consist of senior securities and are negotiated with tier one banks.

The Group subscribes to OTC derivatives with tier one banks under agreements that provide for the offsetting of the amounts due and to be received in the event that one of the contracting parties defaults. These conditional offsetting agreements do not comply with the criteria of the IAS 32 standard to allow the offsetting of derivative assets and liabilities on the balance sheet.

INTEREST RATE RISK

The Group's consolidated debt is, mostly, floating rate debt, whether it is the short-term drawing down of confirmed lines of credit or long-term finance lease debt and mortgage loans, which are the two usual ways of financing capital investment.

The structure of the financial debt by rate type, after taking account of the hedging instruments in place, is as follows:

	2013		2012	
	Fixed rates	Floating rates	Fixed rates	Floating rates
Bond issues	264			99,422
Bank loans	185,107	190,761	172,288	97,650
Liabilities associated with finance leases	35,938	40,005	25,886	48,918
Miscellaneous financial liabilities	4,427	11,945	781	17,282
Bank overdrafts and short-term loans		45,830		39,361
TOTAL FINANCIAL LIABILITIES NET OF HEDGES	225,736	288,541	198,955	302,633

The Group's objective in terms of interest rate risk management is to use micro-hedging as and when new fixed asset financing contracts are signed. This hedging policy by the Group should eventually optimise the contracting of financial instruments to hedge the underlying liabilities, while improving its effectiveness and complying with accounting requirements in terms of hedge accounting.

In France, 3 new interest rate swaps representing an amount of approximately €24 million were added to the 18 interest rate swaps contracted between 2008 and 2012, totalling a hedged notional amount of €160 million at 31 December 2013. These were interest rate swaps contracted with regard to long-term financing in terms of duration and amortisable notional principal amount. Their maturity depends on the duration of the underlying financing, i.e. between 9 and 15 years at the start.

In Spain, an interest rate swap hedges the financing of the Torrejon platform for a notional principal amount of €10 million over a residual period of 7 years.

In Italy, the subsidiary STEF Italia contracted an interest rate swap to hedge the Tavazzano platform for a notional principal amount of €10 million; the end of the contract is in 2022.

In Belgium, the subsidiary STEF Logistics Saintes contracted an interest rate swap to hedge the Saintes platform for a notional principal amount of €4 million; the end of the contract is in 2024.

ANALYSIS OF INTEREST RATE RISK SENSITIVITY

A change of 50 basis points in the interest rates at the balance sheet date would have impacted equity and profit (before tax) up to the amounts shown below. For the purposes of this analysis, all other variables are assumed to be constant.

(-) Debit / (+) Credit	Impact on profit and loss		Impact on comprehensive income	
	Rise of 50 bps	Fall of 50 bps	Rise of 50 bps	Fall of 50 bps
Variable rate interest charges on assets/liabilities	1,383	(1,383)		
Change in fair value of derivatives			4,200	(4,143)
NET IMPACT	1,383	(1,383)	4,200	(4,143)

BALANCE SHEET EXPOSURE TO RATE RISK AT 31 DECEMBER 2013

	Current		Non-current	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Interest bearing financial liabilities (1)		45,830	41,821	414,686
Other financial assets			(19,370)	(4,031)
Cash and cash equivalents	(6,812)	(46,746)		
Net exposure before taking account of derivatives	**(6,812)**	**(916)**	**22,451**	**410,655**
Derivatives			184,286	(184,286)
NET EXPOSURE AFTER TAKING ACCOUNT OF DERIVATIVES	(6,812)	(916)	206,737	226,369

(1) Excluding market value of derivatives

EXCHANGE RATE RISK

The Group's activities are essentially based in the Euro zone (France, Spain, Portugal, Benelux and Italy) and require only a few exchanges with other currency areas, with the exception of the United Kingdom and Switzerland.

Furthermore, the Group's financial liabilities are entirely denominated in euros or in the functional currency of the subsidiaries who bear them, such that the Group has no exposure to the risk of changes in exchange rates due to its debt.

LIQUIDITY RISK

The Group's cash management is centralised which gives it control over all its subsidiaries' cash flows.

The Group's cash needs are mainly provided by credit lines at parent company level. At 31 December 2013, STEF had 20 confirmed medium-term credit lines, totalling €268 million. At 31 December 2013, up to €152 million had been drawn down. Drawdowns were made for periods of between one and three months, on which the applicable interest rate was that of the day of the drawdown. The initial duration of these lines varies between 4 and 5 years.

STEF also has spot loans totalling €37 million, of which €18 million were used at 31 December 2013 and overdraft agreements, with no agreed expiry dates, totalling €84

million, of which €46 million was used at 31 December 2013. The current cash needs of the subsidiaries are provided mainly by the parent company through a European centralised cash management agreement.

Confirmed, unused credit lines and available overdrafts and spot loans, together with effective cash flow planning, ensure that the Group has excellent control of its liquidity risk.

Some lines and loans are supported by commitments from the Group, including respecting financial ratios. The main ratios are as follows: EBITDA / Net financial expenses higher than 6 or 6.5 and Net Debt / Equity less than 1.7. At 31 December 2013, the Group met all commitments attached to the funding available to it.

Contractual cash flows attached to the financial liabilities and finance lease liabilities are broken down as follows:

	2013		Terms of contractual cash flows		
	Book value	Contractual cash flows	Less than one year	More than one and less than five years	Over 5 years
Bond issues	264	264	264		
Bank loans	375,868	376,258	62,149	208,858	105,251
Finance leases	75,943	76,166	13,150	37,356	25,660
Bank overdrafts	45,830	45,830	45,830		
Derivative financial liabilities	11,945	12,509	4,624	8,618	(733)
Miscellaneous financial liabilities	4,427	4,427	4,427		
Sub-total of financial liabilities	**514,277**	**515,454**	**130,444**	**254,832**	**130,178**
Trade accounts payable	405,590	405,590	405,590		
Other current liabilities	342,612	342,613	342,613		
TOTAL	1,262,479	1,263,657	878,647	254,832	130,178

	2012		Terms of contractual cash flows		
	Book value	Contractual cash flows	Less than one year	More than one and less than five years	Over 5 years
Bond issues	99,422	100,000	100,000		
Bank loans	263,158	286,842	43,720	105,526	137,596
Finance leases	81,581	88,939	10,086	49,932	28,921
Bank overdrafts	39,362	40,040	40,040		
Derivative financial liabilities	15,721	15,852	4,934	9,716	1,202
Miscellaneous financial liabilities	2,344	1,530	1,530		
Sub-total of financial liabilities	**501,588**	**533,203**	**200,310**	**165,174**	**167,719**
Trade accounts payable	388,931	388,931	388,931		
Other current liabilities	319,518	319,518	319,518		
TOTAL	1,210,037	1,241,652	908,759	165,174	167,719

DIESEL RISK

As a large consumer of diesel, STEF, which is exposed to changes in the price of this fuel, does not currently intend to purchase hedging instruments. Besides the impact of this expense, the Group especially prefers to optimise purchases with dedicated buyers and implement measures to reduce consumption by vehicles.

4.26 Information on the fair value of financial instruments by category

	Balance sheet value 31/12/2013	Fair value through the income statement	Assets available for sale	Loans and receivables	Assets not qualified as financial
Unconsolidated equity instruments	212		212		
Other non-current financial assets	18,349			18,349	
Loans and receivables from financial activities	14,485			14,485	
Marketable securities	1,360		1,360		
Sub-total: non-current financial assets	**34,406**	**-**	**1,572**	**32,834**	**-**
Customers	424,721			424,721	
Other accounts receivable	163,733			163,733	
Cash and cash equivalents	53,558	53,558			
ASSETS	676,418	53,558	1,572	621,288	-

	Balance sheet value 31/12/2013	Fair value through the income statement	Debts measured at amortised cost	Derivatives qualified as hedges	Liabilities not qualified as financial
Non-current financial liabilities	11,945			11,945	
Debts from financial activities	456,502		380,559		75,943
Current financial liabilities	45,830		45,830		
Sub-total: Financial liabilities	**514,277**	**-**	**426,389**	**11,945**	**75,943**
Trade accounts payable	405,590		405,590		
Other accounts payable	342,612		342,612		
LIABILITIES	1,262,479	-	1,174,591	11,945	75,943

	Balance sheet value 31/12/2012	Fair value through the income statement	Assets available for sale	Loans and receivables	Assets not qualified as financial
Unconsolidated equity instruments	214		214		
Other non-current financial assets	23,048			23,048	
Loans and receivables from financial activities	13,245			13,245	
Marketable securities	1,675		1,675		
Sub-total: non-current financial assets	**38,182**	**-**	**1,889**	**36,293**	**-**
Customers	398,178			398,178	
Other accounts receivable	152,099			152,099	
Cash and cash equivalents	82,334	82,334			
ASSETS	670,793	82,334	1,889	586,570	-

	Balance sheet value 31/12/2012	Fair value through the income statement	Debts measured at amortised cost	Derivatives qualified as hedges	Liabilities not qualified as financial
Non-current financial liabilities	15,721			15,721	
Debts from financial activities	446,506		374,702		71,804
Current financial liabilities	39,361		29,584		9,777
Sub-total: Financial liabilities	**501,588**	**-**	**404,286**	**15,721**	**81,581**
Trade accounts payable	388,931		388,931		
Other accounts payable	319,518		319,518		
LIABILITIES	1,210,037	-	1,112,735	15,721	81,581

The financial assets and liabilities not covered within the scope of IAS 39 mainly comprise finance lease liabilities.

HIERARCHY OF FAIR VALUES AT 31 DECEMBER 2013

Financial instruments at fair value are classified according to the following hierarchy levels:

- **Level 1:** financial instruments which are listed on an active market;
- **Level 2:** financial instruments whose evaluation requires the use of valuation techniques based on observable parameters;
- **Level 3:** financial instruments whose evaluation requires the use of valuation techniques based in whole or in part on non-observable parameters.

	Level 1	Level 2	Level 3
Financial assets available for sale		1,572	
Cash and cash equivalents		53,558	
ASSETS	-	55,130	
Derivatives		11,945	
LIABILITIES		11,945	

Derivatives portfolio at 31 December 2013							
	Fair value	on assets	on liabilities	Effective portion recorded in net comprehensive income	Nominal hedged	Maturity	Reference rate
SWAPS	(11,945)	0	(11,945)	(11,945)	184,286	JUNE 26	EURIBOR

METHOD FOR DETERMINING FAIR VALUES

The fair value of interest rate swaps and options are based on quotes made by financial intermediaries. The Group ensures that these quotes are reasonable by valuing the swaps by discounting estimated future cash flows and the options using a valuation model (Black & Sholes type).

The fair value of "trade accounts payable" and "trade accounts receivable" is equal to the book value on the balance sheet because the discounting of cash flows has a negligible impact given the short payment and settlement deadlines.

The fair value of floating rate debts is very nearly equal to the book value with close credit risk.

4.27 Operating leases

Rents reported under operating leases on property, transportation equipment and other equipment increased in 2013 to €77,952 thousand (€76,281 thousand in 2012).

4.28 Operations with related parties

Related parties with regard to STEF are associated companies, STEF's Directors and senior executives. The shareholding structures of managers and senior executives are also in this position, as well as employee investment funds which, acting together, control 81.49% of the voting rights at the STEF Shareholders' Meeting.

The following net remuneration and other benefits were paid to Directors and senior executives, in euros:

	2013	2012
Salaries and wages	2,196,847	2,870,320
Directors' attendance fees	111,031	110,986
TOTAL	2,307,878	2,981,306
Short-term benefits:	2,307,878	2,981,306
Post-employment benefits	None	None
Long-term benefits:	None	None
Termination benefits:	None	None
Share-based payments	None	None

The salaries and wages presented give the annual total of net remunerations and benefits paid to Directors and senior executives.

Balances and transactions with associated companies break down as follows:

	Balances at 31 December 2013				Transactions for the year	
	Customers	Trade accounts payable	Long-term loans	Current account	Sales of goods and services	Purchases of goods and services
Brigantine de Navigation[1]				6		
Transcosatal Finances	241				567	(233)
Froid Combi						
Messageries Laitières	2,988	(11)	2,457	1,499	23,704	(147)
Olano Seafood Iberica						
Olano Valencia	5					
Stefover Tunisie					2	(352)

	Balances at 31 December 2012				Transactions for the year	
	Customers	Trade accounts payable	Long-term loans	Current account	Sales of goods and services	Purchases of goods and services
Brigantine de Navigation[1]				6		
Transcosatal Finances	177				977	(1,820)
Froid Combi						
Messageries Laitières	4,459	(24)	2,457	828	20,270	(426)
Olano Seafood Iberica		(24)				(29)
Olano Valencia	-2					
Stefover Tunisie					13	(257)

(1) Company with no business or in administration.

All transactions with related parties are invoiced at normal market conditions. There were no significant transactions in 2013 and 2012 between the Group and the shareholding structures of managers and senior executives and employee investment funds.

4.29 Capital management

The Group's policy is to maintain a strong capital base to preserve the confidence of investors, creditors and the market and to allow the future growth of the business and ensure the liquidity of STEF shares.

4.30 Statutory auditor's fees

Statutory auditors' fees for the 2013 financial year were as follows:

Mazars : €905 thousand

KPMG Audit : €800 thousand

Other accountancy firms : €76 thousand

4.31 Contingent liabilities

As part of its normal activities, the Group may be a defendant in litigation and disputes. It recognises a provision each time an unfavourable outcome is considered likely to result in an outflow of resources of which the amount can be reliably estimated. At 31 December 2013 and 31 December 2012, there was no litigation or dispute likely to have a significant impact on the Group's financial situation and future results.

4.32 Public service concession agreement

STEF's maritime business is primarily conducted through CMN, which provides services to Corsica by virtue of a public service concession agreement concluded with the Corsican Transportation Office (OTC). The agreement in force in 2013 ended on 31 December 2013. A new agreement signed on 24 September 2013 came into effect on 1 January 2014 for a term of 10 years. This authorises CMN to operate three ro-ro mixed passenger and cargo vessels under the territorial continuity principle.

4.33 Events subsequent to year-end closing

On 31 January 2014, the Group sold all its shares in the British companies STEF Transport Limited and Seagull to a Danish group and acquired the seafood business in Boulogne sur Mer from this same group. This operation had no impact on the accounts of 31 December 2013.

NOTE 5 LIST OF CONSOLIDATED COMPANIES

In accordance with the rules shown in paragraph 2.1 above, the following companies are included in the consolidated financial statements:

FULLY CONSOLIDATED COMPANIES	Percentage of control	
	31 December 2013	31 December 2012
Company STEF S.A. (Parent)		
Atlantique SA (Spain)	100%	100%
Bretagne Frigo	100%	100%
Entrepôts Frigorifiques de Nord et de l'Est (EFNE)	100%	100%
Entrepôts Frigorifiques de Normandie Loire (EFNL)	100%	100%
Entrepôts Frigorifiques du Sud-Ouest (EFSO)	100%	100%
FSD	100%	100%
GIE STEF Geodis	50%	50%
Institut des métiers du froid	100%	100%
SCI Bruges Conteneurs	51%	51%
SLD Aix-en-Provence	100%	100%
SNC Navale STEF-TFE	100%	100%
SNC PIANA	100%	100%
SNC STEF-TFE Services	100%	100%
STEF Information et Technologies	100%	100%
STEF Logistics Courcelles (Belgium)	100%	100%
STEF Logistics Saintes (Belgium)	100%	100%
STEF Logistique Plouénan	79%	79%
STEF Switzerland	99%	99%
Immostef and its subsidiaries:	100%	100%
Frigaurice	100%	100%
Immostef Italia	100%	100%
Normandie Souchet	100%	100%
SCI BV 18	100%	100%
SCI des Vallions	100%	100%
SCI Actixia (renamed SCI Fresh 5)	100%	-
SCI Actibrex (renamed SCI Fresh 7)	100%	-
SCI Immo	100%	100%
SCI Immotrans 42	100%	100%
SCI PPI 45	100%	100%
SNC Adour Cap de Gascogne	100%	100%
SNC Agen Champs de Lassalle	100%	100%
SNC Allonnes Entrepôts	100%	100%
SNC Atton Logistique	100%	100%
SNC Bondoufle la Haie Fleurie	100%	100%
SNC Brignais Charvolin	100%	100%
SNC Burnhaupt les Mulhouse	100%	100%
SNC Carros la Manda	100%	100%
SNC Cavaillon le Castanie	100%	100%
SNC Cergy Frais	100%	100%
SNC Cergy Froid	100%	100%
SNC de la Prairie	100%	100%
SNC de la Vesvroise	100%	100%
SNC Donzenac Entrepôts	100%	100%
SNC Donzenac la Maleyrie	100%	100%

FULLY CONSOLIDATED COMPANIES	Percentage of control	
	31 December 2013	31 December 2012
SNC France Platesformes	100%	100%
SNC Gap Plan de L'Ardier	100%	100%
SNC Immotrans 49	100%	100%
SNC Immotrans 56	100%	100%
SNC Immotrans 69	100%	100%
SNC La Pointe de Pessac	100%	100%
SNC Les Essarts Sainte-Florence	100%	100%
SNC Les Mares en Cotentin	100%	100%
SNC Louverne Les Guicherons	100%	100%
SNC Mâcon Est Replonges	100%	100%
SNC Mions La Perrinière (Guilberville)	100%	100%
SNC Perpignan Canal Royal	100%	100%
SNC Plan d'Orgon sur Durance	100%	100%
SNC Reims La Pompelle	100%	100%
SNC Saran Les Champs Rouges	100%	100%
SNC St Herblain Chasseloire	100%	100%
SNC Strasbourg Pont de L'Europe	100%	100%
SNC Toussieu Chabroud	100%	100%
SNC Trangé Le Bois Chardon	100%	100%
SNC Valence Pont des Anglais	100%	100%
Société des Glacières et frigorifiques de St Nazaire (SGN) and its subsidiary:	100%	100%
SNC Loudéac Froid	100%	100%
STEF Logistique and its subsidiaries:	100%	100%
KL Services (KLS)	100%	100%
STEF Logistique Aix	100%	100%
STEF Logistique Alsace	100%	100%
STEF Logistique Arnage	100%	100%
STEF Logistique Atton	100%	100%
STEF Logistique Aurice	100%	100%
STEF Logistique Bain de Bretagne	100%	100%
STEF Logistique Bondoufle	100%	100%
STEF Logistique Bourgogne Essonne	100%	100%
STEF Logistique Bretagne Nord	100%	100%
STEF Logistique Bretagne Sud	100%	100%
STEF Logistique Cergy	100%	100%
STEF Logistique Distribution Cergy	100%	100%
STEF Logistique Distribution Montsoult	100%	100%
STEF Logistique Distribution Vitry	100%	100%
STEF Logistique Givors	100%	100%
STEF Logistique Le Mans	100%	100%
STEF Logistique Le Plessis Belleville	100%	100%
STEF Logistique Lesquin	100%	100%
STEF Logistique Lorraine Surgelés	100%	100%
STEF Logistique Mediterranée	100%	100%
STEF Logistique Midi-Pyrénées Limousin	100%	100%
STEF Logistique Montsoult	100%	100%
STEF Logistique Moulins-Les-Metz	100%	100%
STEF Logistique Nemours	100%	100%
STEF Logistique Niort	100%	100%
STEF Logistique Nord	100%	100%

FULLY CONSOLIDATED COMPANIES	Percentage of control	
	31 December 2013	31 December 2012
STEF Logistique Normandie	100%	100%
STEF Logistique Pays de Loire	100%	100%
STEF Logistique Pessac	100%	100%
STEF Logistique Rhône-Alpes	100%	100%
STEF Logistique Rouen	100%	100%
STEF Logistique Saint-Dizier	100%	100%
STEF Logistique Saint-Sever	100%	100%
STEF Logistique Santé	100%	100%
STEF Logistique Sorgues	100%	100%
STEF Logistique Tours	100%	100%
STEF Logistique Toussieu	100%	100%
STEF Logistique Venissieux	100%	100%
STEF Logistique Vitry	100%	100%
STEF Restauration France	100%	100%
STEF Tempéré et sec alimentaire	100%	100%
STEF Transport Bordeaux Pessac	100%	100%
STEF Transport Montsoult	100%	100%
Stim d'Orbigny and its subsidiaries:	100%	100%
Atlantique Développement	100%	100%
Financière Immobilère et Maritime (FIM)	100%	100%
Sata-Minfos	100%	100%
Compagnie Méridionale de Participation (CMP) and its subsidiary:	100%	100%
Compagnie Méridionale de Navigation (CMN) and its subsidiaries:	98%	98%
A.M.C	98%	98%
Cie Méridionale de Manutention (CMM)	98%	98%
STEF Transportation and its subsidiaries:	100%	100%
Dispack	100%	100%
EBREX France and its subsidiary:	100%	-
EBREX Logistique (renamed Logistique Salon de Provence)	100%	-
Immotrans 35	100%	100%
Seagull Transport Ltd (United Kingdom)	100%	100%
STEF Eurofrischfracht	100%	100%
STEF International Est	100%	100%
STEF International Nord Ouest	100%	100%
STEF International Ouest	100%	100%
STEF International Sud-Est	100%	100%
STEF International Sud-Ouest	100%	100%
STEF Logistique Caen	100%	100%
STEF Logistique Vannes	100%	100%
STEF Nederland (Netherlands)	100%	100%
STEF Transport Agen	100%	100%
STEF Transport Allonnes	100%	100%
STEF Transport Alpes	100%	100%
STEF Transport Angers	100%	100%
STEF Transport Avignon	100%	100%
STEF Transport Bordeaux Bègles	100%	100%
STEF Transport Boulogne	100%	100%
STEF Transport Bourges	100%	100%
STEF Transport Brive	100%	100%
STEF Transport Caen	100%	100%

FULLY CONSOLIDATED COMPANIES	Percentage of control	
	31 December 2013	31 December 2012
STEF Transport Cavaillon	100%	100%
STEF Transport Chaulnes	100%	100%
STEF Transport Clermont-Ferrand	100%	100%
STEF Transport Côte d'Azur	100%	100%
STEF Transport Dijon	100%	100%
STEF Transport Epinal	100%	100%
STEF Transport Ifs	100%	100%
STEF Transport Investissement	100%	100%
STEF Transport Landivisiau	100%	100%
STEF Transport Langres	100%	100%
STEF Transport Laval	100%	100%
STEF Transport Le Mans	100%	100%
STEF Transport Le Mans 2	100%	100%
STEF Transport Le Rheu	100%	100%
STEF Transport Lesquin	100%	100%
STEF Transport Lille	100%	100%
STEF Transport Limited (United Kingdom)	100%	100%
STEF Transport Limoges	100%	100%
STEF Transport Lorient	100%	100%
STEF Transport Lyon	100%	100%
STEF Transport Lyon Feyzin	100%	100%
STEF Transport Mâcon	100%	100%
STEF Transport Marseille	100%	100%
STEF Transport Metz	100%	100%
STEF Transport Metz Nord	100%	100%
STEF Transport Montpellier	100%	100%
STEF Transport Mulhouse	100%	100%
STEF Transport Nantes Carquefou	100%	100%
STEF Transport Narbonne	100%	100%
STEF Transport Niort 1-La Crèche	100%	100%
STEF Transport Niort 2-La Crèche	100%	100%
STEF Transport Orléans	100%	100%
STEF Transport Paris Athis	100%	100%
STEF Transport Paris Plessis Belleville	100%	100%
STEF Transport Paris Rungis	100%	100%
STEF Transport Paris Vitry	100%	100%
STEF Transport Epinal	100%	100%
STEF Transport Plan d'Orgon	100%	100%
STEF Transport Quimper	100%	100%
STEF Transport Reims	100%	100%
STEF Transport Rennes	100%	100%
STEF Transport Rennes Chantepie	100%	100%
STEF Transport Rethel	100%	100%
STEF Transport Rouen	100%	100%
STEF Transport Saint Amand	100%	100%
STEF Transport Saint Brieuc	100%	100%
STEF Logistics Saintes (Belgium)	100%	100%
STEF Transport Saint-Sever	100%	100%
STEF Transport Strasbourg	100%	100%
STEF Transport Tarbes	100%	100%

FULLY CONSOLIDATED COMPANIES	Percentage of control	
	31 December 2013	31 December 2012
STEF Transport Toulouse	100%	100%
STEF Transport Tours	100%	100%
STEF Transport Toussieu	100%	100%
STEF Transport Valence	100%	100%
STEF Transport Vannes	100%	100%
STEF Transport Velaines	100%	100%
STEF Transport Vendée	100%	100%
STEF Transport Vire	100%	100%
STEFover	100%	100%
TFE International Ltd (United Kingdom)	100%	100%
TFE Transport AG (Switzerland)	100%	100%
Tradimar Bordeaux	100%	100%
Transport Frigorifique de Normandie	100%	100%
Transports Frigorifiques des Alpes (TFA)	100%	100%
Transports Frigorifiques Spadis and its subsidiary:	100%	100%
STEF Transport St-Etienne	100%	100%
STEF Italia Holding and its subsidiaries:	100%	100%
STEF Logistics Italia Srl	100%	100%
STEF Italia SpA and its subsidiaries:	100%	100%
Calabria Dist Log	46%	46%
Sdr Sicilia	-	51%
Slf Sicilia	97%	95%
St1 Food Srl	51%	51%
STEF International Italia SpA	100%	100%
STEF Seafood Italia Srl	100%	100%
STEF Iberia and its subsidiaries:	100%	100%
Immostef Portugal	100%	100%
Logirest Slu	100%	100%
STEF Los Olivos	100%	100%
STEF Portugal-Logistica E Transporte, Lda	90%	90%
Immostef Espana and its subsidiary:	100%	100%
Friomerk and its subsidiary:	100%	100%
Euromerk	100%	100%

EQUITY-ACCOUNTED ASSOCIATES	Percentage of control	
	31 December 2013	31 December 2012
Shareholding of STEF SA:		
Société Brigantine de Navigation [1]	100%	100%
Shareholdings of STEF Transport:		
Froidcombi	25%	25%
Messageries Laitières	39%	39%
Olano Valencia (Spain)	20%	20%
Stefover Tunisie (subsidiary of Stefover)	49%	49%
Transcosatal Développement	33%	33%
Olano Seafood Iberica	32%	32%
Shareholdings of STEF Logistique:		
GEFA	34%	34%
Shareholdings of STEF Italia Spa:		
SDR Sud Srl	20%	20%

(1) Company with no business or in administration.

STATUTORY AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

Shareholders,

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we hereby present our report for the year ended 31 December 2013, relating to:

- the audit of the accompanying consolidated financial statements for the company STEF S.A., as attached to this report;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without calling into question the opinion expressed above, we draw your attention to the notes to the consolidated accounts 1 "Accounting standards" and 4.1 "Comparability of the financial years" which present the impact on these accounts and on the comparative information of the change in accounting policy relating to post-employment benefits.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

When preparing its consolidated financial statements, STEF S.A. made estimates that impacted certain assets, liabilities, income and expenses, in the areas specified in note 1 of the appendices to the consolidated financial statements, such as estimates on the periods of use for fixed assets and the recoverable value of fixed assets. For all these areas, we verified the appropriateness of the accounting methods used, examined the consistency of the assumptions made, their documentation and their translation into figures, and, on these bases, we assessed the reasonableness of the estimates used and verified the appropriateness of the information given in the notes appended.

The assessments were performed as part of our audit of the consolidated financial statements taken as a whole and contributed to the expression of the opinion in the first part of this report.

III – SPECIFIC PROCEDURES

We have also verified, in accordance with professional standards applicable in France, the financial information contained in the Group Management report.

We have no comment to make as to the fair presentation of this information or its consistency with the consolidated financial statements.

Paris La Défense and Courbevoie, 22 April 2014

The Statutory Auditors

KPMG Audit IS	MAZARS
Benoît Lebrun	Olivier Thireau
Associate	Associate

RESULTS OF THE PARENT COMPANY

The company STEF, solely a holding company, comprises the Group functional divisions and owns all buildings, machinery and equipment leased to the Group's operational companies. Turnover, comprising revenue from leases and services provided within the Group, amounted to €11.9 million, compared with €10.9 million in 2012. Income attributable to third parties, reversals of impairment and other income accounted for €32.3 million compared with €30.7 million for 2012. This mainly comprises Group expenses billed to the Group's subsidiaries.

Financial income, mainly comprising revenue from shareholdings accounted for €37.1 million, compared with €30.3 million in 2012, due to the increase in dividends paid by Group subsidiaries. Related financial income and expenses represented a net income of €1.8 million, compared with €1.4 million in 2012. This change is explained primarily by the fall in interest rates observed throughout the year.

Financial expenses include a provision of €5 million for a financial commitment related to the financing of the Piana vessel. Overall, the Group's net financial income was €6.5 million.

Exceptional items amounted to a net expense of €3 million, compared with an income of €0.4 M in 2012. This is mainly the depreciation of €3.1 million relating to the cancellation of the BSAAR acquired by STEF under the exchange of warrants against STEF treasury shares.

In 2013, the Company posted a tax saving of €6.2 million (STEF is the parent of the tax Group), compared with €0.9 million for 2012. Due to the principle of offsetting between the different net profits (losses) of the Group's companies,the tax consolidation system provided for by Article 223 A of the French Tax Code allows, in particular, a tax income to be obtained.

The parent company posted a net profit of €29.5 million, compared with €20.8 million in 2012.

PROPOSED APPROPRIATION

Net profit for the year €29,457,162

Retained earnings €56,311,437

giving a total amount available for distribution of €85,768,599

Proposed appropriation:

Payment of a dividend of €1.50 per share,

which is a total dividend payment of €20,273,474

Retained earnings of €65,495,125

If the Company holds certain treasury shares when the dividends are paid the sum corresponding to the amount of the dividend not paid under these shares will be credited to the retained earnings account.

The dividend will be paid out as of 22 May 2014.

DIVIDENDS PAID OUT IN RESPECT OF THE PAST THREE FINANCIAL YEARS

Financial year	Number of shares	Dividend paid per share [1]
2010	13,515,649	1.25
2011	13,515,649	1.38
2012	13,515,649	1.45

(1) Payment fully eligible for 40% tax allowance.

In accordance with Article 223d of the French Tax Code, there were no overhead expenses giving rise to add-back to taxable profit under Article 39-5 of the French Tax Code. Furthermore, the Company has not recorded charges under article 39-4 of the same code.

The table of STEF's net profit for the last five financial years is shown in the notes to the individual company financial statements.

REGULATED AGREEMENTS

Two regulated agreements were reclassified as current by the Board of Directors in 2013, on the grounds that they fall within the normal conduct of the Group's business (general management and administrative services invoiced to Stim d'Orbigny, computer maintenance fees with STEF IT). The regulated agreements are reported in the special statutory auditors report.

STEF TRADE ACCOUNTS SCHEDULE BY DUE DATE (IN €)

Balance of Trade Accounts Payable	Total	due date			
		due	between 1 and 31 days	between 32 and 61 days	more than 61 days
31.12.2013	12,429,459	5,261,652	6,949,144	218,663	0
31.12.2012	6,719,067	1,884,844	4,724,798	109,425	0

INTERNAL CONTROL

THE CHAIRMAN'S REPORT

ON THE BOARD OF DIRECTORS' ACTIVITIES AND INTERNAL CONTROL

THE PURPOSE OF THIS REPORT IS TO GIVE AN ACCOUNT OF THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES ESTABLISHED BY THE COMPANY, IN ACCORDANCE WITH ARTICLE L. 225-37 OF THE FRENCH COMMERCIAL CODE.

THIS REPORT ALSO DEALS WITH THE PRINCIPLES AND RULES LAID DOWN BY THE BOARD OF DIRECTORS TO DETERMINE THE COMPENSATION AND BENEFITS PAID TO COMPANY OFFICERS.

I. PRINCIPLES OF GOVERNANCE

SEPARATION OF THE POSITIONS OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board of Directors has decided to separate the positions of Chairman and Chief Executive Officer, as of 1 July 2012 in accordance with Article L 225-51-1 of the French Commercial Code. The choice of this type of organisation seemed relevant with regards the development of the Group's business, particularly in Europe and its decentralised operational structure.

Mr Francis Lemor continues to hold the position of Chairman. He organises and supervises the Board of Directors' work, an account of which is then provided to the Shareholders' Meeting.

Mr Jean-Pierre Sancier assumed the role of the Company's Chief Executive Officer. He has full authority to act under any circumstances on behalf of the Company. He exercises these powers within the limits of the corporate purpose and subject to the powers that the law expressly assigns to the Shareholders' meetings and the Board of Directors.

Three Deputy Executive Officers assist the Chief Executive Officer in the management of the Group:

- Mr Serge Capitaine, in charge of sales and marketing;
- Mr Bruno Duquenne, in charge of European operations;
- Mr Stanislas Lemor, in charge of administration and finance.

CHAIRMAN'S RESPONSIBILITIES

The Board of Directors has set out the responsibilities for the Chairman of the Board of Directors in areas that do not necessarily fall under organising the activities of the Board of Directors and its responsibilities under legal provisions:

- Maritime business;
- High-level and strategically important external relations;
- Corporate communication;
- Relations with shareholders. In particular, the Chairman will be the liaison between the Board of Directors and the Company's shareholders;
- Relations with investors;
- Strategic external growth and disposal operations;
- Significant property investment and disinvestment projects.

At the request of the Chief Executive Officer, the Chairman can provide support to the executive management in internal discussions and works, focusing on the strategy, organisation and main directions of company life.

Actions that come under the Chairman's areas of intervention are exercised in coordination with the executive management and without prejudice to its executive functions. These operating principles do not limit the powers of the Chief Executive Officer and the Deputy Executive Officers in their respective fields, as provided for in law. They have no impact on the authority of the Board of Directors.

THE BOARD OF DIRECTORS AND ITS RULES OF PROCEDURE

On the date of this report, the Board of Directors comprises 14 members, two of whom are legal persons and one member representing employee shareholders.

The rules of procedure for the Board of Directors organise the operation of the Board of Directors within the legislative and regulatory framework applicable to the company. They determine the scope of the Board of Directors' responsibility and of its members, its mode of operation and that of the Audit Committee and the Remuneration Committee, lastly it includes the Director's charter.

THE COMPANY'S CORPORATE GOVERNANCE CODE

On 29 August 2013, the Board of Directors opted for the Middlenext code, instead and in place of the Afep-Medef code. The Middlenext code is aimed at mid-cap companies which have a reference shareholder and provides governance principles appropriate to their size and capital structure, these elements were behind the Board of Directors' decision.

Independent directors: The Board of Directors includes six independent directors in the sense of the Middlenext Code that characterises the independence of directors by the absence of any significant financial, contractual or family relationship likely to affect their independence of judgement. These directors are Mrs Lemoine, Messrs Bouthillier, Bréau, Giuily, Hau and Ogier du Terrail.

Concurrent holding of company office - employment contract: The employment contracts of the Chief Executive Officer and the Deputy Executive Officers were suspended during their appointment in July 2012. Furthermore, the Chairman is exclusively remunerated in respect of his company office.

Length-of-service awards for senior executives: Commitments exceeding the conventional limits were subject to meeting the performance criteria, assessed against those of the company and which are to achieve an annual increase in consolidated turnover and operating profit. These commitments were approved by the Company's Shareholders' Meeting.

Remuneration of company officers: The remuneration policy for senior executives resulted from a consistent approach, based on objective criteria, consistent with the overall salaries and wages policy applied within the Group.

Equality: The Board of Directors, comprised of 14 members, has two female directors. The appointment of a new female Director will be proposed at the Annual Meeting of 14 May 2014.

PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' ACTIVITIES

1. ORGANISATION OF THE BOARD OF DIRECTORS' ACTIVITIES

The Chairman of the Board of Directors will convene the Board as often as he deems appropriate, depending on the corporate interest.

The schedule of meetings for the coming year is set at the end of the year. Five meetings are scheduled, the following are optional depending on the subjects requiring decisions.

Each Director is individually requested to attend each Board of Directors meeting; invitations are sent approximately 15 days before each meeting. Invitations are sent together with the meeting's agenda and a draft of the minutes of the previous meeting. In the days preceding a meeting (usually five days), each Director receives a file containing the documents relating to the main topics on the agenda.

Every month, the company's Directors receive financial data with comments enabling them to assess the Group's performance for the previous month.

The articles of association and rules of procedure of the Board of Directors set out the terms for the Directors' participation at Board meetings, which are held via video conferencing. The issues likely to be dealt with and decisions made by this mode of participation are governed by the applicable laws and regulations.

The overall attendance rate of Directors at Board meetings in 2013 was steady at 88% (in 2012 it was 89%).

2. BOARD OF DIRECTORS' ACTIVITIES

The Board of Directors met six times in 2013.

The forecast results from the preceding year and the main components of the budget for the current year are usually discussed at the meeting, which is held at the end of January.

The meetings in March and the end of August are mainly given to approving the annual and half-yearly accounts.

The meeting held as a result of the Shareholders' Meeting in May is normally used to implement the share repurchasing plan voted by the Shareholders' Meeting.

In December, the Board examines any changes to the Group's business over the current financial year and compares it to the updated budget projection.

In November, the Board met to implement the BSAAR exchange transaction against STEF shares.

At every board meeting, the Group's results from the previous month are analysed.

The Board of Directors is advised by two specialist committees.

COMMITTEES OF THE BOARD OF DIRECTORS

1. THE AUDIT COMMITTEE

The Directors who are members of the Audit Committee are Mr Emmanuel Hau, Mr Xavier Ogier du Terrail and Mr Dominique Nouvellet. Mr Hau chairs the Audit Committee.

In addition to the functions relating to the review of accounting and budgetary statements, the Audit Committee is responsible for monitoring the effectiveness of internal control and risk management systems. In this context, it ensures the establishment of the internal control and risk management procedures and the adequacy of assignments undertaken by the internal audit department in terms of these issues and the checks performed on identified risks.

Members of executive management and representatives of financial management and the internal audit department may be seen by the audit committee, as well as the statutory auditors.

The Audit Committee defined its mode of operation, for both its internal functioning and in respect of its contacts within the company, and specified its field of action.

The company considers that the Audit Committee has the necessary skills to meet the required independence and operational efficiency criteria.

In 2013, the Audit Committee met on three occasions, with an attendance rate of 100%.

At the sessions preceding the Board of Directors' meetings to prepare the annual and half-yearly accounts, the Committee reviews the presentation of the accounting statements submitted to it. It hears from members of the executive management, the Financial division and the statutory auditors.

In December, the Audit Committee reviews the work conducted by the Audit department over the past year, the analysis of reports on specific assignments, the examination of the internal audit work schedule for the coming year and, finally, the review of the statutory auditors' fees.

The Chairman of the Audit Committee reports on the Committee's work to the Board of Directors.

2. COMPANY OFFICERS' REMUNERATION COMMITTEE

This committee is responsible for determining the remuneration of the Chairman, Chief Executive Officer and Deputy Executive Officers. The Chairman of the Board of Directors participates in the work of the Committee, presenting the elements for achieving the objectives set for the Chief Executive Officer and the Deputy Executive Officers used to establish their remuneration.

The Remuneration Committee is comprised of Mrs Lemoine, Mr Bouthillier and Mr Etzenbach.

PRINCIPLES AND RULES DETERMINING COMPANY OFFICERS' REMUNERATION

1. SENIOR EXECUTIVES

The determining of the Company's senior executives' remuneration is the responsibility of the Board of Directors, which makes its decisions based on the advice of the company officers' Remuneration Committee.

The Committee generally meets once a year (prior to the Board of Directors meeting in December) to discuss the aspects of senior executives' remuneration.

The members of the committee determine the fixed and variable components of senior executives' remuneration. To do this, the committee draws on both qualitative and quantitative factors, the criteria being based on the Group's overall performance and objective comparative aspects. The general criteria for determining the variable components are constant. These may be reduced in order to take into account adverse conditions in the sector, which was the case in 2013.

In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the company's Board of Directors approved the principles subjecting the payment of deferred remuneration for the Chief Executive Officer and the three Deputy Executive Officers to the performance conditions. Consequently, commitments exceeding the conventional limits are subject to meeting the performance criteria to achieve an annual increase of at least 3% in consolidated turnover and operating profit. These commitments were approved by the Company's Shareholders' Meeting on 16 May 2012.

The elements of senior executives' remuneration are shown in the Board of Directors' management report.

2. THE BOARD OF DIRECTORS

The allocation of Directors' attendance fees, remunerating members of the Board of Directors and Audit Committee, is based solely on attendance at meetings of both these bodies. Accordingly, the proportion of the overall budget voted in advance by the Shareholders' Meeting depends on the number of meetings Directors have attended.

SHAREHOLDERS' MEETING ATTENDANCE

Shareholders' attendance at shareholders' meetings is governed by the conditions established by law and the provisions of Articles 18 and 19 of the Company's articles of association.

STATUTORY PROVISIONS ON CHANGE IN CONTROL

The Company's articles of association do not contain provisions that would delay, defer or impede a change of control.

II. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

One of the objectives usually assigned to internal control is to prevent and manage the risks resulting from the Company's business and the risks of error or fraud, including in accounting and financial areas, thus contributing to improving the efficiency of operations.

The internal control procedures at STEF aim to:

- ensure compliance with applicable laws and regulations;
- ensure that management activities, the conducting of operations and the activities of staff are in line with the instructions and guidelines defined by the Company's organisations and executive management as well as with Company's values, standards and internal rules;
- ensure the reliability of accounting, financial and management data.

STEF has implemented a continuous improvement process for managing risk. It is based on the internal control framework defined by the French financial markets authority (AMF) and, in particular, on its implementation guide applicable to mid-cap companies.

1. THE INTERNAL CONTROL ENVIRONMENT

The scope of internal control refers to the parent company and the subsidiaries contained within the scope of the Group's consolidation.

STEF SA (parent) is a holding company, only providing management and administration services. The Group's activities are divided into four operational segments.

In France, the Transportation division brings together all fresh and frozen transportation activities in a single network (STEF Transport), the transportation of sea products and the organisation of international transportation, the Logistics division (STEF Logistique) manages chilled and frozen logistical services, the European Activities division (STEF International) encompasses activities outside France.

Finally, the Maritime division mainly comprises the Southern division.

Two centres of expertise ensure cross-segment operations: the IT systems centre (STEF Information and Technologies) includes the computer teams working on business and customer IT and the Real Estate centre (Immostef) manages all the real estate, operating and lease assets and liabilities.

Operational-type functions are generally decentralised, with a region/site pyramidal structure, each site (or agency for transportation) or group of sites is represented by a subsidiary.

Conversely, the support functions, including human resources, administration, governance and finance are centralised.

2. INTERNAL CONTROL BODIES

The organisation of internal control is based on a distribution of roles and responsibilities between the following bodies.

EXECUTIVE COMMITTEE

The Executive Committee establishes the strategic directions and the Group's medium- and long-term prospects. It ensures that the goals are achieved.

The Executive Committee is the main decision-making and arbitration body within the Group, especially with regard to investments.

Comprising 10 members, it covers and controls all the Group's functions. In addition to the Chief Executive Officer and the three Deputy Executive Officers, it brings together the Directors of each division and the heads of the main functions.

Each of the Group's strategic functions is embodied by an appointed member, who ensures the implementation of decisions in the area s/he supervises.

This structure streamlines the operational processes and allows greater efficiency in managing activities.

The Executive Committee meets every month.

MANAGEMENT COMMITTEES

The activities of each of the four operational segments come under the responsibility and control of a specific management committee. These committees, led by the Chief Executive Officer of each division are responsible for deploying the strategies decided on by the Executive Committee as well as monitoring the budgetary commitments of profit centres attached to each division. The Management Committee of each European Activity division comprises a Director of a main country of operations, namely, Spain, Portugal, Italy, Belgium and Switzerland. This organisation enables the Group to ensure consistency when communicating its policy throughout Europe.

THE GROUP'S FUNCTIONAL AND OPERATIONAL DIVISIONS

The Group operates in an extremely regulated environment, each division is responsible for implementing the legal requirements for its area.

These divisions may have scope of action limited to a network (Transportation Operating division for transportation, Logistics Service division for logistics) or cross-division skills, whether technical (Real Estate Technical division, Vehicles Technical division), or support-focused, (Purchasing, Human Resources, Information Systems, Accounting, Audit, Tax, Company Secretary - governance, legal and insurance). More specifically, the divisions below perform defined roles in their own areas of activity.

FINANCIAL DIVISION

The Financial division is responsible for producing and ensuring the reliability of accounting and financial information, managing financial risks, the Group's financing policy and monitoring objectives through the budgetary process.

The Group's Tax department coordinates the Group's tax policy and assists entities with any tax issues.

The treasury function is centralised in order to optimise the management of surplus cash and the cost of financial liabilities, including that of cash flows and banking costs.

Group accounting is placed under the auspices of the financial division.

The accounting function for the whole Group is provided by a dedicated company, STEF-TFE Services, which prepares the individual financial statements for the Group's French companies and carries out consolidation operations.

This division was set up to support the Group's growth and to structure and standardise the accounting treatment of transactions and meet the requirements relating to the application of IFRS and legislative and regulatory developments.

The organisation in place is based on regional accounting centres run by accountants who perform the tasks to prepare the financial statements for the companies in their scope. Consequently, the Group has the required contacts to ensure the consistency of the accounting treatment of transactions across all its activities.

These regional accounting centres also ensure the optimisation of upstream and downstream information flows to avoid double entries and breaks, as well as providing a good separation of tasks.

The Accounting division, at Head Office, draws up specific directives to ensure this function's effectiveness, through procedures and working group meetings.

This group-wide organisation strengthens the independence of the accounting function in relation to the operational divisions.

INTERNAL AUDIT

The purpose of Internal Audit is to assist executive management in the process of controlling the risks associated with the Group's operations. Accordingly:

- internal Audit verifies the implementing of policies drawn up by the executive management within the different subsidiaries and group-wide functions;
- it ensures the compliance of operations vis-à-vis external and internal obligations (laws, regulations, recommendations, instructions and procedures, etc.
- It makes recommendations for the improvement of procedures, ensures their implementation and monitors their application. It reports to executive management on the progress of action plans;
- It aims to assess risk management and internal control procedures.

Internal Audit is also responsible for conducting audits regarding Group subsidiaries, including when they are acquired and consolidated.

The internal Audit is therefore involved in identifying, assessing and preventing risks. It is also associated with the activities of the different working groups to establish procedures.

Internal Audit reports directly to the executive management and is attached to the Financial Division. Its scope of intervention extends over the whole Group.

Internal Audit drafts an annual audit plan based on consultation with members of the Executive Committee and the Audit Committee. It also draws on the risk areas identified through its different assignments.

The Internal Audit service comprises three experienced employees under a department head. For greater efficiency, the monitoring of the implementation of recommendations and support given regarding action plans is undertaken by the auditors who led the audits.

INFORMATION SYSTEMS

IT systems management is a key internal control tool for the Group, efficient Group activities depend on quick, reliable data access. Also, they are grouped together in a dedicated entity, STEF Information and Technologies (formerly Agrostar).

3. INTERNAL CONTROL PROCEDURES

MANAGEMENT AND ORGANISATION PROCEDURES

DELEGATIONS OF AUTHORITY

There are procedures, including delegations of authority, across the Group.

Thus, each regional and subsidiary Director has the general framework with which his activities are in line, in the form of a formalised delegation of authority.

With the support of the delegation of responsibility, most of the internal procedures that relate to operations (operating) or functions (accounting, insurance) are the subject of manuals which give the standard for all operators and functions concerned.

Purchase and/or sale of securities transactions, shareholding acquisitions, purchases and sales of businesses, real estate transactions, borrowing and granting of guarantees remain the sole responsibility of the Group's executive management.

EXTERNAL GROWTH OPERATIONS

Any acquisition project is audited in detail as part of due diligence. To do this, the Group's support functions are called upon (legal, human resources, audit, finance, business units, real estate, etc.) to draw up a collective report, which is submitted to the Group's Executive Committee.

Following an acquisition, an integration committee is responsible for establishing and/or standardising processes and Group organisation modes within the subsidiary.

GROUP INVESTMENTS

Any project to install or extend a platform or warehouse is subject to selective arbitration. More generally, the investment programme must be validated by the Executive Committee.

VALIDATION OF COMMERCIAL OFFERS/CLIENT CONTRACTS

Calls for tenders are analysed and validated internally through a series of stages from accepting the offer to launching the service. The mechanism involves the regional division(s) concerned and, where needed, the technical research departments and a project team, set up upstream of the process. The offer's parameters, required resources and investment, inherent risks and their hedging and the project's expected profitability are examined.

ACCOUNTING AND FINANCIAL PROCESSES

The principles and technical applications of the treatment of accounting and financial information are standardised, in accordance with the organisation described in §2 above "Financial division".

The Group's accounts are consolidated by the Group's Accounting division, at Head Office, which works closely with the managers of the regional accounting centres.

Its role is to collect and control information from all companies in the Group, then perform the consolidation adjustments in accordance with the IFRS applicable to the Group and finally, prepare the consolidated financial statements. The process is carried out using a software package interfaced with the Group's accounting software. In order to increase the efficiency and reliability of the consolidation process, the Group uses the SAP module ("BFC").

The consolidation team also monitors any developments to IFRS and distributes procedures and instructions to accounting managers to ensure the consistency of the consolidated whole.

Each administrative and regional accounting manager, together with the audit department, verifies that the organisation, in their scope of regional intervention, meets the expected safety and quality requirements for financial information.

Through the consolidation software (SAP), the audit department has permanent access to all accounting entries posted in the branches and subsidiaries. It can then examine, using random checks, all the accounting entries and carry out any consistency checks.

COMMUNICATION OF FINANCIAL INFORMATION

The responsibility for disseminating financial communications lies with the executive management. The preparing of the annual and half-yearly financial statements is followed by a press release, the content of which is approved by the Board of Directors.

BUDGETARY CONTROL AND REPORTING

The budgetary process is conducted as follows: each division prepares its own budget and has it approved by the executive management at the end of the year during the budgetary conferences. The budgetary forecasts are not reviewed during the financial year. However, annual results are updated throughout the year.

Financial reporting is produced in the second half of each month and is systematically communicated to Executive Committee members in the form of a management chart comprising the key monthly operational and financial indicators.

Each month the Executive Committee analyses the data from the reporting.

In addition, every month the Group's financial information is sent to the members of the Board of Directors, in the form of monthly and cumulative data.

COMPLIANCE WITH LAWS AND REGULATIONS

The Legal department ensures the Group's and its subsidiaries' activities comply with the laws and regulations of each country in which the Group operates.

Adherence to laws and regulations remains the responsibility of each operational subsidiary or each functional division for its area of competency.

Any incorporation of a company, or any action concerning real estate or businesses (acquisition, disposal, lease management) is the sole responsibility of the Legal department, which, for this purpose, follows the directives of the executive management.

With regards contracts, the mechanisms for limiting liability are determined by statutory and regulatory provisions specific to the activities of transportation and warehouse management (standard contract applicable to the transportation by road of perishable goods, professional-type regulation on refrigerated storage) and by the applicable clauses of the general conditions of services in the Group. The Legal department ensures these principles are applied, both upstream, through the implementation of procedures or framework agreements and, in individual cases, through the handling of specific problems.

In addition, the Legal department is generally associated with commercial negotiations from the initial stages of the project.

MANAGEMENT OF INSURABLE RISKS AND INSURANCE PROGRAMMES

STEF centralises the management of its insurance and risk hedging policy. With the exception of maritime risks, life and credit insurance covered by the divisions concerned, the Group's insurance department establishes the guidelines, in cooperation with the executive management, negotiates the main insurance policies, manages relations with brokers and insurers and ensures the consistency of the overall programme, including at European level. The Insurance department presents and relays the insurance policy in a structured and consistent way within the Group. Insurance policies, referred to as "master" policies, have been effected to cover against the main risks such as property damage and business interruption, company public liability and cargo public liability.

In a constant concern to maintain insurance cover instruments, the Insurance department is involved in the audit of risks, their analysis and their reduction. In 2013, the Group strengthened its organisation, taking on a fire prevention engineer responsible for implementing, in consultation with the operational and functional departments concerned, a standardised policy for property risk prevention and the tools to evaluate and follow the recommendations.

PROCEDURES RELATING TO THE GROUP'S BUSINESS ENVIRONMENT

Within the Operating Division, STEF has established internal skills, resources and procedures allowing compliance with and the anticipation of changes in regulatory obligations.

Accordingly, as regards compliance with environmental standards, capital investment projects are examined to ensure compliance with the regulation specific to facilities classified for environmental protection (ICPE) and the recommendations of the "sustainable logistics platform" AFILOG Charter. In this respect, STEF has actively contributed to establishing the High Environmental Quality (HEQ) guidelines specific to refrigerated storage.

In the field of food safety, the Group is committed to certification procedures, particularly with the "BRC Storage & Distribution" certification for STEF's activities in Scotland and Portugal and the ISO 22,000 certification for STEF Las Fronteras in Spain.

SAFETY OF PERSONS

Health and Safety at Work (HSW) is a major issue for the Group which has established dedicated resources and structured training programmes for employees and to educate management. In France in 2013, the HSW procedure was strengthened by the creation of a network of regional accident prevention coordinators. These coordinators rely on tools such as the risk analysis model (DUER), a data collection software package that analyses the facts leading to accidents and the process for inducting and integrating employees. The Saintes (Belgium) logistics site obtained the OSHAS 18001 certificate for its Health and Safety at Work management system. This is an international benchmark where the principal criteria are planning for hazard identification, risk evaluation, preparation for emergencies, measurement, monitoring and performance improvement.

4. PREVENTION AND INTERNAL CONTROL

The Internal Audit department works on improving internal control.

In 2013, audits were carried out in accordance with the programme established with the executive management and the Audit Committee. These tasks consisted in performing compliance reviews and controls on the security and performance of business organisations, support functions or Group processes. There was an audit of the existing internal control within the company EBREX, acquired in October 2013, with a view to bringing this entity under control, in the time taken to integrate it into the Group's system.

In 2013, the implementation of the proactive risk management system continued.

During the previous stages, the Group's degree of exposure to its risks and the resources implemented to prevent and cover them were mapped then qualified by business area.

The work carried out in 2013, in collaboration with the operational and functional branches highlighted that no new major risk had appeared and the degree of maturity of the organisations in terms of identified risk management was satisfactory.

Over the year, the internal audit stepped up its work to provide the group with guidelines in which the identified risks will be defined, their incidence described and the resources used to prevent them, duly documented.

The IT risks associated with the Group's applications have been specifically identified by STEF IT in the AMDEC template (Analysis of Failure Modes, their Effects and Criticality). In accordance with this identification, an action plan has been started which aims to improve the level of security against the risks.

The 2014 action plan for the Audit department was approved by the Audit Committee. The work will be shared between the audits focusing on group processes, support functions and business organisations.

The Chairman

STATUTORY AUDITORS' REPORT

ON THE CHAIRMAN'S REPORT

Statutory Auditors' report, prepared in accordance with L.225-235 of the French Commercial Code, on the report of the Chairman of the Board of Directors of the company STEF S.A.

Shareholders,

In our capacity as Statutory Auditors of the company STEF S.A. and in accordance with Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended 31 December 2013.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information;
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code; it should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with the professional standards applicable in France.

INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information.

These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

OTHER INFORMATION

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code.

Paris La Défense and Courbevoie, 22 April 2014

The Statutory Auditors

KPMG Audit IS	MAZARS
Benoît Lebrun	Olivier Thireau
Associate	Associate

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