ANNUAL REPORT
2014

STEF

Contents

Board of Directors

Francis LEMOR, Chairman
Bernard JOLIVET, Vice-Chairman
Jean-Charles FROMAGE,
Deputy Executive Officer
Gilles BOUTHILLIER
Alain BRÉAU
Jean-Michel DELALANDE
Elisabeth DUCOTTET
Alain GEORGES
Éric GIUILY*

Emmanuel HAU
Estelle HENSGEN-STOLLER
Robert de LAMBILLY*
Murielle LEMOINE
Dominique NOUVELLET
ALLIANZ Vie, represented
by Peter ETZENBACH
ATLANTIQUE MANAGEMENT,
represented by François de COSNAC

*The terms of office of Messrs GIUILY and de LAMBILLY ended after the Shareholders' Meeting on 20 May 2015.

Executive Management*

Jean-Pierre SANCIER
Chief Executive Officer

Serge CAPITAINE
Deputy Executive Officer
Sales and Marketing

Stanislas LEMOR
Deputy Executive Officer
Finance and Administration

*Bruno DUQUENNE, Deputy Executive Officer, in charge of European operations, retired on 1 July 2014.

Executive Committee


Bertrand BOMPAS
Managing Director of STEF Logistique


Jean-Marc BRUÈRE
Deputy Executive Officer of STEF Transport


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


Jean-Yves CHAMEYRAT**
Human Resources Director

**Mr Gérard GROFFE, the previous Human Resources Director, retired in February 2015.


Stanislas LEMOR
Deputy Executive Officer of STEF / Financial Director


Marc REVERCHON
Chairman and CEO of Compagnie Méridionale de Navigation


Léon de SAHB
IT Systems Director / Managing Director of STEF Information et Technolgie


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


Gilles SAUBIER
Real Estate and Purchasing Director / Managing Director of Immostef

Information at the publication date of the annual report - May 2015

The Chairman's message

2015 is fully in keeping with the STEF Group strategy to strengthen its foundation across the French territory and continue its development in European countries.

In France, the year was marked by the operational integration of the company EBREX. This operation was successfully conducted by all the Group's teams from January 2014 and should bear fruit in 2015.

In Europe, STEF set up in the Netherlands for the first time through its acquistion of Speksnijder in September 2014. This is the first of the Group's own locations in this country and opens up new opportunities in a region of Europe where world leaders in the food industry are based. The Group also acquired a stake in Northern Italy, enabling it to expand its business in the Trentino region.

The Group faired well across each of its transport and temperature-controlled logistics businesses in an economic environment that remained a challenge in 2014 and was marked by the fall in fuel prices at the end of the year.

In the maritime segment, and despite the turbulent context in which it operates, La Méridionale implemented all the necessary resources to provide the service to Corsica throughout this first year of the public service concession agreement. Its freight business grew, confirming the positive positioning of its fleet of ro-ro mixed passenger and cargo vessels.

2014 was also the year that saw our ambitious energy policy recognised by ISO 50 001 certification in October. After several years committed to sustainable development, STEF is now the first European logistics company to have its network of platforms and warehouses certified.

The Group's economic model therefore emerged stronger at the end of 2014. The shareholder model also reached another milestone with the exit of a management company that held almost 14% of the company's share capital. These shares were mainly reclassified to investors and partly within the company, thus simultaneously supplying the market and strengthening the Group's employee shareholding.

European development, the demand for service quality and the Group's attractiveness are assets that STEF was able to develop in 2014. They are the result of the daily commitment from all the teams and provide a real competitive advantage.

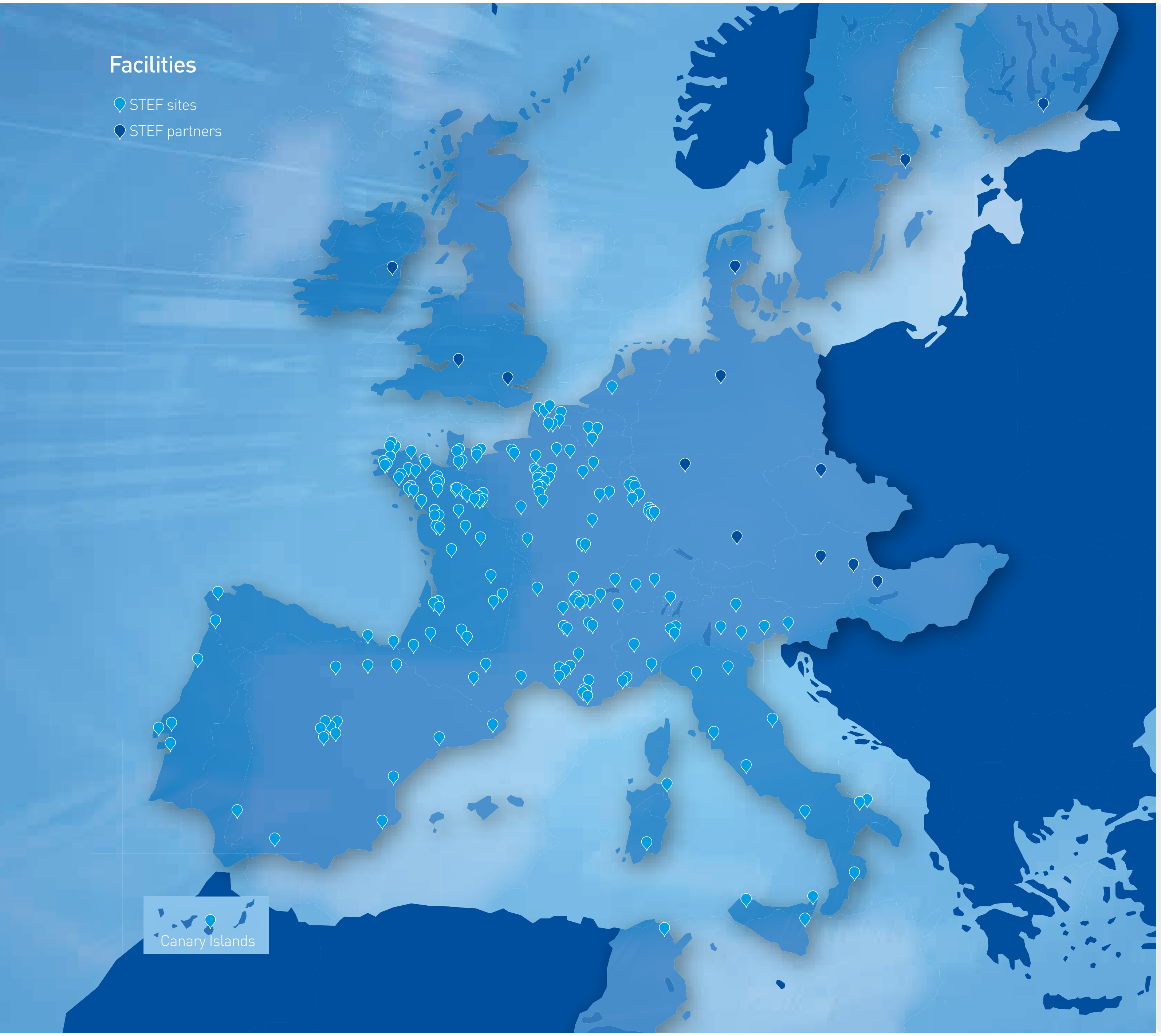
2015 is showing some signs of a slight economic recovery in Western Europe which, added to the implementation of policies that are favourable to business competitiveness, should benefit the STEF Group.

Our social policy will remain demanding across our fundamental principles: strong human values, maintaining a high level of employee shareholding, constantly developing skills through suitable training and this, in all the countries where we operate.

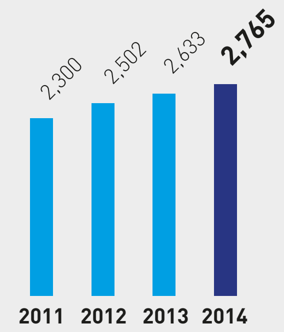
I would like to pay tribute to the men and women of our Group who, in an adverse economic environment, have once again demonstrated that STEF's values of enthusiasm, respect, discipline and performance are not empty words.

Francis LEMOR
Chairman

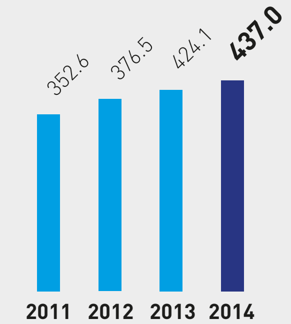
Key figures



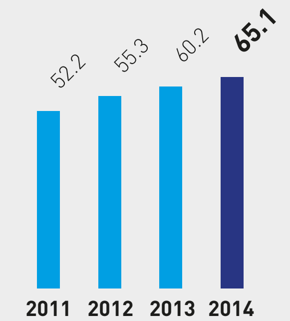
Consolidated turnover
(in millions of euros)

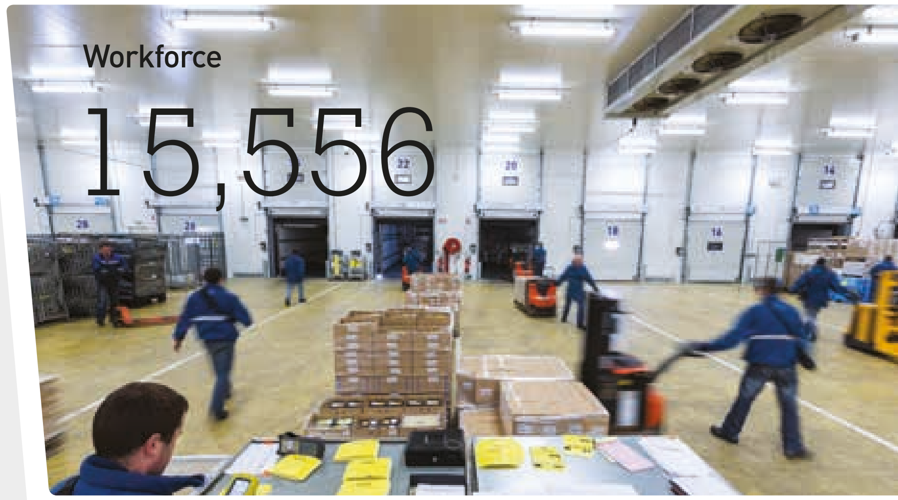


Consolidated equity
(Group share in millions of euros)



Consolidated income
(Group share in millions of euros)





Group's economic environment

A weak and uneven recovery in the Eurozone, under deflationary pressure

While 2014 confirmed the recovery that began in late 2013, GDP growth has proved to be slower than expected: +0.9% in the Eurozone, while global growth was +3%.

The observed economic recovery needs to be qualified: the situation is improving on the Iberian market (+1.4% in Spain, +1% in Portugal), the recovery is robust in Germany (+1.6%), while it remains fragile in France (+0.4%) and Italy is in recession (-0.4%) for the fourth time in six years.

The main issues in the Eurozone are still the public debt ratio which continues to rise (92.1% in Q3 2014, compared with 91.1% in Q3 2013) and unemployment (11.6%) which has however fallen for the first time since 2007.

Change in GDP
(source: Eurostat estimate – April 2015)
Eurozone = 17 countries

EURO ZONE	+0.9%	ES	+1.4%
FR	+0.4%	PT	+0.9%
BE	+1%	NL	+0.9%
IT	-0.4%	CH	+2%

In 2014, inflation reached a five-year low with an annual average of 0.4%, compared with 1.4% in 2013. This decrease can be explained by the fall in energy and food prices (-0.1% in 2014, compared with +2.7% in 2013).

2014 Inflation
(source: Eurostat)

	Total	Food
EURO ZONE	+0.4%	-0.1%
FR	+0.6%	-0.7%
BE	+0.5%	-0.4%
IT	+0.2%	0%
ES	-0.2%	-0.3%
PT	-0.2%	-1.4%
NL	+0.3%	-0.1%
CH	+0%	+1.1%

Fall in energy prices

Oil prices decreased in 2014, with a barrel of Brent at 74 euros on average.
Fuel prices dropped sharply from September with various consequences depending on the countries where STEF operates. These changes impacted invoiced turnover, primarily in France.

Electricity prices

Since 2007, electricity prices for industrial consumers have increased in France (+26%), Belgium (+8.4%) and on the Iberian market (+28%).

Europe: **Electricity prices for industrial consumers (consumption band IF between 70,000 and 150,000 MWh)** (source: Eurostat)

Price in first half-year 2014
(Kilowatt/hour excl. tax)

EURO ZONE	0.0621	ES	0.0681
FR	0.0561	PT	0.0633
BE	0.0617	NL	0.0701
IT	0.0711		

Household food consumption

Change in household food consumption in 2014
(source: Eurostat)[1]

	Versus A-1		Versus A-1
EURO ZONE	+0.3%	ES	+0.6%
FR	-1.1%	PT	-0.3%
BE	+0.6%	NL	+1.2%
IT	-0.4%	CH	+0.5%

Although household purchasing power remained steady due to the protracted fall in fuel prices and low inflation, food consumption has not recovered in the Eurozone (+0.3%).

[1] Change in retail turnover for food products.

Food industry

Change in production volumes in 2014
(source Eurostat – April 2015)

	Industry Food		Industry Food
EURO ZONE	+1%	ES	+3.7%
FR	+0.1%	PT	+0.5%
BE	-0.8%	NL	+2.1%
IT	+1%		

Production volumes for food industries grew in the Eurozone compared to 2013 (+1%). However, there was still a difference between North and South: French and Belgian industries were penalised by a lack of competitiveness, while the Portuguese and Spanish industries saw exports increase due to better cost competitiveness.

Three major trends have accelerated in the past year:

- the internationalisation of activities, driven by the segment's concentration trend;
- the development of alternatives to traditional distribution channels: short distribution channels, factory stores with regional products, local shops dedicated to fresh products, drive, etc.;
- the volatility of demand: increased global production in a climate of falling food prices, slowdown in Chinese demand, successive food crises (Russian embargo, swine health crisis) reducing manufacturers' visibility.

In this context, organisations are strategically refocusing on leading brands and their core food production business. Consequently, they are seeking mass distribution solutions in order to become more efficient and reduce the financial burden of their supply chain organisation.

Retail

The price war among retailers intensified in 2014. For the first time since 2008, the market share of private labels in Europe decreased by 0.1%, compared with 2013[2]. National brands regained market share through promotions. However, private labels remained dominant on the fresh and frozen markets (31% market share). In order to restore their margins, European retailers are restructuring by merging central purchasing bodies.
Online sales continue to grow: drive (+13% turnover in France in 2014) exports to Spain and chilled lockers are now appearing in major European cities.

Out-of-home foodservice

Eating out is one of the first areas to show signs of compromise in households. To adapt to this, commercial catering is developing innovations and strengthening themed sales promotions. The franchise model has established itself through a strong growth in the number of outlets opened. Meanwhile, mass catering is continuing its consolidation process through mergers and acquisitions.

[2] Source: IRI worldwide study.

Transport and logistics

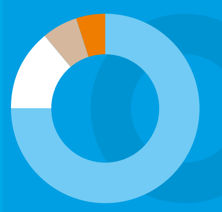
The transport and logistics segment has been weakened against a backdrop of highly volatile food flows. Companies' profit margins are at their lowest and there is still a high level of bankruptcies. To improve performances, local companies are joining forces while international organisations are relying on external growth and the launch of new offers.

Maritime

The maritime transport market has not escaped the crisis. The number of passengers transported to or from Corsica was down by 4.3% (-7.5% between the French continent and Corsica and +3.6% from Italy). At the same time, airlines increased their offers and saw traffic grow by 3.9%, led by the low-cost companies. Freight traffic between Corsica and the French continent fell by 0.9%.

STEF'S business segments

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



- **75%** Fresh: +2°C / +4°C
- **14%** Frozen: -18°C / -21°C
- **6%** Temperature-sensitive: +8°C / +15°C
- **5%** Dry & Ambient

The Group is organised around four operational segments

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

•• 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 foodservice.

•• 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.

•• The Maritime division, LA MÉRIDIONALE provides a maritime passenger and freight transport service between the continent and Corsica under a public service concession.

Group's operations in 2014

After a first half-year marked by fairly adverse economic conditions in France and a fall in food consumption, STEF gradually returned to growth.

Despite a difficult competitive environment and weak domestic demand, STEF grew by adapting to changes in the European food industry with a recognised operational excellence and through a local services infrastructure which benefits all customer types.

Milestones in the Group's life in 2014

1 **the successful operational integration of the flows of EBREX France,** a specialist in transport and temperature-controlled logistics. There were immediate synergies with STEF's business, due to the complementary nature of the consolidation networks of both entities and the capacities for optimising transported volumes.

2 **strengthening the Group's presence in Europe.** For the second year, the European Activities division has confirmed its role as a vehicle for growth for the Group's turnover and profit. New opportunities have been created through the incorporation of SPEKSNIJDER Transport in the Netherlands. Despite a climate that remained unfavourable in southern Europe, Italy, Spain and Switzerland experienced a growth that outstripped their markets.

3 **recognition of the Group's energy policy** with the ISO 50 001 certification from Bureau Veritas for the Group's energy management system. This is the outcome of a policy which began two years ago. The Group therefore has the tools to rationalise its consumption, putting it in a favourable position with the prospect of the opening of the electricity markets to competition.

Transport France

STEF Transport confirmed its strategic positioning: the mass distribution of mainly temperature-controlled food products.

Faced with the challenges of stock reductions and revised supply patterns imposed by retailers, manufacturers have had to resolve the complex logistics problem of lowering costs and improving the service rate, especially through increased delivery frequencies. The freshness constraints, characteristic of fresh products, have helped STEF Transport to differentiate itself at a national level, through the size of its network and due to its solid expertise in organising just-in-time deliveries and its ability to handle products from different segments (see below).

The STEF Transport network has endeavoured to improve the attractiveness of its range of services by developing:

- its national coverage and the density of the regional network;
- its capacity to organise flows by distribution type (hub, retail distribution), providing the market with the value created by a search for optimal mass distribution;
- the service differentiation required by the various types of consignee customers.

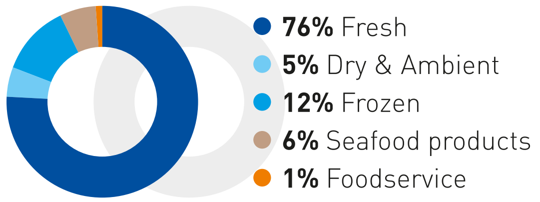
The year was marked by the transport network being opened to the flows from EBREX, acquired in late 2013. The two networks were merged on 13 January 2014.

At the end of December 2014, STEF Transport had over 8,100 employees, across 85 sites. The network uses a fleet of 4,400 vehicles (tractors and lorries), almost half of which the company owns.

Analysis by segment

The growth achieved through the incorporation of EBREX has slightly changed the balance by segment.

STEF Transport's turnover by segment



Fresh and compatible products transport

Through its acquisition of EBREX, STEF Transport has strengthened its position in fresh products consolidation, making it a predominant area for its business, with a growth in turnover of over 8%.
The expansion of mass distribution services and the extension of delivery services to the retail trade are major issues of a sales initiative that seeks to address the need for food producers to diversify. Consequently, STEF Transport has improved its offer to motorway service stations through a partnership with a leading company on this highly specific market.

In order to increase the density of flows into its distribution network, STEF has developed a delivery service that combines compatible products with fresh products, mainly from the wines and chocolate segments. The network's coverage and its ability to make just-in-time deliveries by consolidation flows is a high value asset for all distribution channels.

Frozen products transport

STEF's growth on this segment outstripped that of the market (+12%). By adapting its operational process and backing the Frozen and Fresh businesses, STEF offers a differentiated consolidation transport service where the challenges are a transport plan throughout France, with an almost daily delivery frequency and processing deadlines that are often close to day A: shipped / day B: delivered.

Seafood products transport

A traditional fresh products market operated by STEF, the seafood products market is characterised by a global supply and a consumption level that has continued to contract.

STEF has adapted to this environment by:

- modifying its supply network, by selling its businesses in Scotland and creating a network of European partners under the Seafoodways brand in order to develop a collective European offer, where STEF acts as the benchmark operator;
- centralising the commercial organisation of its subsidiary in Boulogne-sur-Mer, the nerve centre of the seafood products business in France;
- creating a complete offer: inbound transport, order preparation and retail delivery.

Logistics France

Operationally STEF Logistique France is divided into four activities:

1 global logistics for mass distribution of frozen, fresh and temperature sensitive products for all operators in the agrifood chain;

2 dedicated logistics for supermarket companies;

3 dedicated logistics for the needs of foodservices in general and those of commercial restaurant chains in particular;

4 proximity logistics for manufacturers or retailers.

Business activity trends

The Logistics France division posted a growth in turnover of +4.6%, driven by the development of the out-of-home foodservice business and the start of a logistics contract for a large retailer.

At constant scope, the business remained steady, interspersed with significant fluctuations in the volumes handled, largely impacted by promotional campaigns.

Global logistics for mass distribution of frozen, fresh and temperature sensitive products

STEF Logistique's activities are growing quickly on this segment. STEF Logistique is committed to adapting to its customers' needs by controlling logistics costs in a climate of declining consumption.

STEF Logistique has implemented a plan which aims to support the development of its current and future customers, in line with their supply patterns and geared towards the mass distribution of manufacturers' fresh, finished products to supermarkets and foodservices businesses.

On the temperature-sensitive segment, both regular and seasonal activities have seen strong development, with sound prospects.

Dedicated hyper- and supermarket logistics

This activity contributes to the operational performance of the retail companies that approach STEF. STEF's expertise in this area primarily focuses on fresh products logistics for just-in-time deliveries, but also on frozen product logistics by stored consignments.

In 2014, the business was characterised by stagnating volumes of fresh products and a decline in frozen product volumes, even though the assortment and range of products required by customers increased very significantly.

The salient feature of 2014 was still the acceleration in the development of master logistics plans for supermarkets. STEF supports these changes through its expertise in managing transformation projects. The Group also supported a retail customer with its logistics transformation plan, including in particular the implementation of a mechanized sorting line for fresh products.

Foodservices logistics

STEF Logistique mainly targets commercial restaurant chains and through its offer, brings a new dynamic to the process of supplying restaurants.

The general activity was driven by the addition of new businesses and customers' strong growth in opening restaurants.

With the support of the Transport division, STEF Logistique manages the requirements of this market through the use of dual-temperature vehicles able to deliver dry, fresh and frozen products simultaneously, in contracted time slots with a punctuality rate of over 95%.

Proximity logistics

This activity remains extremely localised and is closely linked to the specific features of the food basins. STEF Logistique is naturally positioned on this segment and is diversifying its offer to satisfy its customers' requirements for added-value services (co-packing and co-manufacturing) across all temperature ranges.

This commitment to support local markets is based on the Group's ability to adapt its real estate assets, particularly in frozen.

- sale of the Sablé sur Sarthe site to a major industrial customer;
- investment in Dijon for the activity of local manufacturers, producers of blackcurrant syrup.

STEF International

In 2014, STEF International changed its organisation by setting up three clusters:

1 Italy-Switzerland
2 Spain-Portugal
3 Northern Europe

The creation of a joint management by cluster fulfils the objective to position the Group's management closer to its areas of activity.
The scope of STEF International includes Italy, Spain, Portugal, Switzerland, Benelux and an international consignments business from all the countries where the Group operates along with Germany and eastern Europe.

Through its domestic networks and with the support of several network partners, STEF can support its customers' development across fifteen European countries.

STEF International continued the networking of its domestic markets, thus consolidating its position as the leading temperature-controlled logistics and transport company in the countries where it operates.

In 2014, this policy was highlighted through the acquisition of the company SPEKSNIJDER Transport, based in Bodegraven, near Rotterdam in the Netherlands. This gives the Group an immediate operational base in the Netherlands and enables it to develop the Group's other activities from this site.

In a climate that was still unfavourable in southern Europe in 2014, STEF International's activities posted a strong growth due to the Group's development and streamlining efforts on its target markets.

Italy

Italy is the second largest country in the STEF Group in terms of activity. In Italy, STEF continued to increase its market share and posted an 8% growth rate in turnover.

Efforts in terms of customer service quality and resource management have enabled STEF to improve the competitiveness of its offer and strengthen its image as a leader on an Italian market undergoing substantial changes. Through the outsourcing of customer bases, the mid-market segment grew by 15% and there were successes recorded on the key account customer segment.

Investments in cold made across the entire network in support of these changes have helped to broach new segments offering real development prospects (meat, poultry and pre-prepared products).

STEF confirmed its ambition to become the benchmark transport and logistics operator for fresh products across Italy and strengthened its operation for this purpose.

•• the integration of the company TRENTINO FRESCO in July, effectively completes the Group's operation in the north-east region of Italy;

•• real estate construction projects in Bologna and Rome are planned in 2015.

In April 2014, the company's ISO 9001 certification was renewed for its quality management system.

Switzerland

STEF Switzerland, positioned predominantly on the frozen segment, confirmed the strength of its model with a double-digit growth and an improvement in its operating profit.
In order to boost its fresh products logistics offer, the Group is planning a real estate construction project in German-speaking Switzerland with the acquisition of industrial land in the Kölliken area, near the city of Zurich.

Spain

After a first half-year marked by a stagnation in consumption volumes, the second part of the year showed signs of improvement in the economy, ending with sustained consumption over the end-of-year festive period.

STEF continued on its course to increase its market share and become the benchmark operator on the consolidation and logistics segments for fresh and frozen products in Spain.

STEF has adapted its organisation in order to ensure its market development by specialising its logistics tools for frozen and structuring a consolidation transport network suited to the country. This policy proved successful in 2014, as evidenced by the significant increase in turnover and the marked improvement in the occupancy rate for frozen warehouses (+10% compared with 2013).

Portugal

Changes in the logistics models operated by some key account customers in Portugal have resulted in STEF adapting its operational processes and strengthening its presence on sectors such as out-of-home foodservice. STEF incorporated the dynamism of Portuguese manufacturers into their export strategy in Europe, which has contributed towards a 1.7% growth in turnover.

For 2015, STEF will concentrate its efforts on the specialisation of its transport and logistics operations in Lisbon.

Benelux

In September 2014, in the Netherlands, the Group acquired the company SPEKSNIJDER Transport. This operation, which aims to make this company a delivery and pickup centre in the Netherlands is a perfect fit for the Group's ambitions and the characteristics of its transport and logistics operation in Europe. It was prompted by the development in international consignments and the momentum of the food economy in the Netherlands, departing from the Port of Rotterdam and Schiphol airport.

STEF improved its penetration rate on the logistics market in Belgium. The addition of new businesses and the performance of facilities led to significantly improved results for the logistics and transport activities.

Maritime

Le Piana

La Méridionale has provided a public maritime passenger and freight service based on the use of ro-ro mixed passenger and cargo vessels between the port of Marseille and the ports of Corsica as part of a public service concession.

The sea links between the Continent, Corsica and Sardinia are provided using ro-ro mixed passenger and cargo vessels out of Marseille: the PIANA, KALLISTE and 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.

2014 saw the start of a new public service concession to provide maritime services to Corsica from Marseille, signed with the Corsican authorities for a ten-year period.

In 2014, total freight and passenger traffic between the French continent and Corsica was sluggish: -7.5% for passengers and -0.9% for freight. Passenger traffic in particular suffered due to competition from Italian shipping companies and low-cost flights.
In this context, La Méridionale proved resilient despite the industrial disputes that affected the port of Marseille in the first half-year and the downward trend of its markets.

For La Méridionale

•• Passenger activity fell at a disproportionately lower rate than the market (-2.2%) with 257,000 passengers transported between Marseille and Corsica and 13,000 passengers between Marseille and Sardinia;

•• The freight business improved, with an increase of 1.9% in the number of linear metres, which is 759,000 metres transported. La Méridionale maintained its leading position in the ports of Bastia and Ajaccio, via Marseille.

The results include the cost of ownership of the PIANA and significant maintenance expenses for vessels related to their extended duration of use and changes in regulations in terms of safety. The vessel the SCANDOLA is chartered until February 2016.

The end of the year was marked by the company SNCM going into receivership. Together with La Méridionale, this was the partner company for the public service concession for providing services to Corsican ports. La Méridionale maintains its commitment to provide ongoing shipping links with Corsica under the best safety and reliability conditions for all users and in keeping with its economic model focused on operating ro-ro mixed passenger and cargo vessels.

Other activities

The Group relies on two centres of expertise to perform its activities:

•• 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 real estate assets

Information Systems Division

•• STEF Information et Technologies (STEF IT) develops computer software and integrates and maintains the information systems that the Group needs to support its customers and improve the productivity of the business divisions;

•• STEF IT provides improvement solutions for the SAP tool, used for the business;

•• STEF IT produces applications for STEF's industrial and retail customers.

Supporting the efficiency of the Group's divisions

In 2014, STEF implemented a powerful, scalable and highly secure hardware architecture.

In 2014, a standardised management application for the after-sales service was deployed across Europe. M-Track is an embedded computing tool which guarantees the traceability of pickup and delivery operations. It is now fully operational in France, Spain and Portugal and the aim is to deploy it in all countries.

Along with the CRM (Customer Relationship Management) project, STEF has embarked upon a multi-year data standardisation and customer relationship management programme. The module dedicated to the management of the sales teams has been deployed in Europe.

In logistics, STEF has deployed the latest version of its warehouse management software (WMS), with new functionalities.

Administrative management and productivity

STEF IT deploys tools designed to improve the productivity of administrative operations within the Group: management of vehicle maintenance and real estate assets, SAP/HR payroll management module, computerised management of the Group's contracts (contract library), a digital tool for managing internet recruitment, selection of a Group budgeting tool.

New services for the Group's customers

STEF IT has adapted its offer for managing purchasing and supply decisions dedicated to supermarket customers by incorporating the traditional fresh products segment.

Real Estate Division

Real estate assets

STEF favours a policy of owning its real estate assets. The Group uses a European network of 225 warehouses and platforms, for a total warehouse volume of 6,767,000 m^3 and a total distribution platform area of 447,600 m^2. Almost all these buildings are owned by STEF.

Some of the buildings owned by the Group are held in a dedicated structure IMMOSTEF, which also manages all the Group's real estate assets.

Real estate management

IMMOSTEF brings together expertise dedicated to the design and construction of new facilities, as well as the maintenance and technical management of the operating facilities used by the Group's companies.

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 2014, three sites were sold in France (Sablé sur Sarthe, Bruges and Toulouse).

Main projects delivered in 2014

Purchase of land reserves

- Switzerland: acquisition of land in Bussigny where the Group already operates a warehouse and reservation of land in Kölliken (German-speaking Switzerland), intended for the construction of a warehouse and transport platform;
- Italy: acquisition of land in Bologna for the construction of a new transport platform in 2015;
- Lyon: acquisition of an office building off-plan (sale of real estate for future completion).

Bischheim

Brignais

Fauverney

Construction or extension of warehouses and platforms;

- construction of an 8,930-m^2 refrigerated platform in Bischheim, near Strasbourg, comprising 4,640 m^2 of positive temperature storage. This site has been certified NF Tertiary Building HQET™ – 2-star AFILOG ranking;
- extension of the Fauverney site (Dijon), with 40,000 m^3 of negative cold storage;
- first phase of the reconstruction of the Vitry-sur-Seine logistics site comprising two negative cold chambers of 68,000 m^3, with a total constructed area of 12,300 m^2;
- extension of the Brignais logistics site (Lyon), with a total constructed area of 5,380 m^2.

Work started in 2014

Several building and major renovation projects were started for delivery in 2015 (especially, Vitry sur Seine (2nd phase of reconstruction), Mions (east Lyon), Niort and Athis-Mons).

Site renovations

In accordance with European regulations, the Group completed its programme to replace R22-type HCFC refrigerants with natural fluids such as ammonia and CO_2.

Energy management system

In 2014, as part of its CSR process, STEF signed the "Energy Efficiency Charter for Tertiary Buildings[3]". The signing of this charter represents the additional systems set up by the Group for the design, construction and maintenance of warehouses and platforms with the aim of constantly improving the energy efficiency of its buildings.

In 2012, STEF deployed the "EDEN" programme which incorporates energy audits and the implementation of action plans as well as the use of the most energy efficient technical solutions. The Group also created the "Energy Performance Certificate", which provides a summary of the energy audits performed on the sites, declaring electricity consumption and potential savings to be made.

Finally, in 2014, STEF was awarded ISO 50 001 certification for the implementation of its energy management system, deployed across all its sites in France. This programme aims to control energy consumption over time and continuously improve practices and uses in all operational processes.

[3] The "Energy Efficiency Charter for Tertiary Buildings" falls under the framework of the Law of 12 July 2010 on the national commitment to the environment which sets out an obligation for buildings in the tertiary sector to begin energy renovation works within 8 years from 2012.

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 2014, quantitative and qualitative environmental information was provided about the Group (France and European countries – excluding the Netherlands[4]).

In 2014, social information, including the workforce at 31 December and its variations was provided about the Group. For other indicators, data from the Compagnie Méridionale de Manutention (CMM)[5], together with data from companies incorporated during the year (SPEKSNIJDER and STEF Trento), was excluded. Apart from these basic rules, the differences in scope are specified for the relevant indicators.

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.

STEF's activities are unlikely to affect the ground on which the platforms are located and 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. A correlation table (appendix 1) facilitates the search for this information.

[4] The company SPEKSNIJDER was acquired in September 2014.
[5] Workforce of 13 people.

Carquefou

Environment

Sustainable development organisation and policy

STEF's sustainable development policy is coordinated by the Sustainable Development Department from actions defined by a Strategic Committee.

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

- long-term control of the environmental impact of refrigerated transport and logistics;
- developing innovative, effective and sustainable business solutions for the performance of the Group and its customers;
- constantly improving the Group's social responsibility model.

The policy implemented is based on anticipating regulations, controlling the energy consumed by equipment and buildings and using operational practices to create services that are designed to improve the economic and environmental performances of activities.

Measuring and reducing the environmental impact of refrigerated transport and logistics

Measuring the carbon footprint

With two CO_2 calculators certified by Bureau Veritas Certification, STEF can provide its customers with:

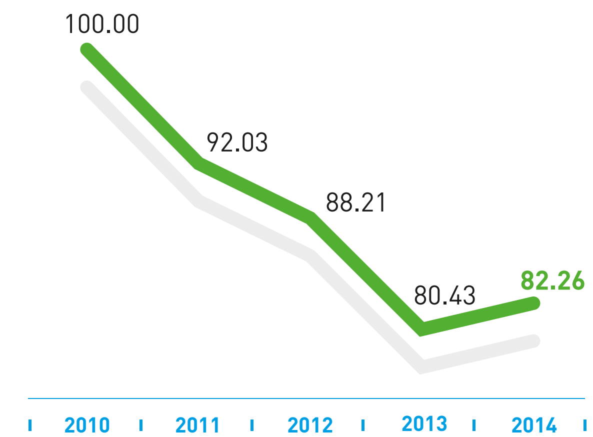
- the carbon footprint for transport services with a loading or unloading point in France;
- the carbon footprint for the logistics services carried out on their behalf.

Reducing the carbon footprint of transport activities

In 2009, STEF Transport signed its first "Charter of voluntary commitments to reduce CO_2 emissions by road haulage companies" put forward by ADEME. These commitments were renewed in 2012 for another three-year period. At the end of 2014, the objectives of reducing CO_2 emissions by 8% (g CO_2 in tonne-kilometres) had been achieved.

Among the environmental indicators monitored by STEF, the measurement of the g CO_2/tkm emission seems most relevant, given its business. This includes the estimated CO_2 emissions related to the transport subcontracting of its activities in France.

Change in the emission of g CO_2/ tonne-kilometre



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

After three years of constant reduction, a slight increase was observed in this indicator. The steady decline in fuel consumption, combined with STEF's fleet of regularly-renewed, clean vehicles have resulted in a consumption that now seems to be optimised. Two situational factors played a role in 2014:

- operating conditions were temporarily changed in 2014 with the incorporation of EBREX's operating sites and the development of the out-of-home catering activity generated increased transport and distribution flows;
- the relative rise in the indicator (+2.3%) must be viewed in light of the business' natural development (+7.8% tonnes delivered, + 8.6% kilometres travelled).

Objectif CO_2
Les transporteurs s'engagent

Reducing the environmental impacts of inputs

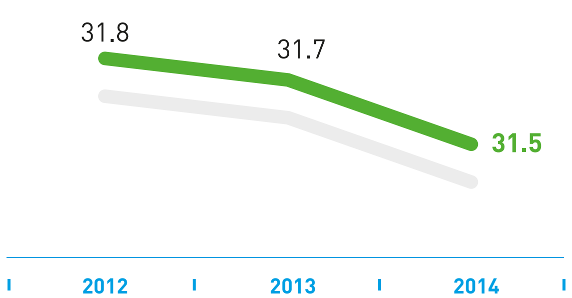
STEF is working on reducing the carbon footprint related to its business by controlling energy consumption (ISO 50 001 process), water consumption (cooling towers and washing vehicles) and implementing a waste management policy.

Vehicles

Reducing fuel consumption

In 2014, constant monitoring of fuel consumption, the regular replacement of fleet vehicles and driver training helped to achieve the objective of fixed consumption for company owned fleet tractors, at 31.5 litres/100 km.

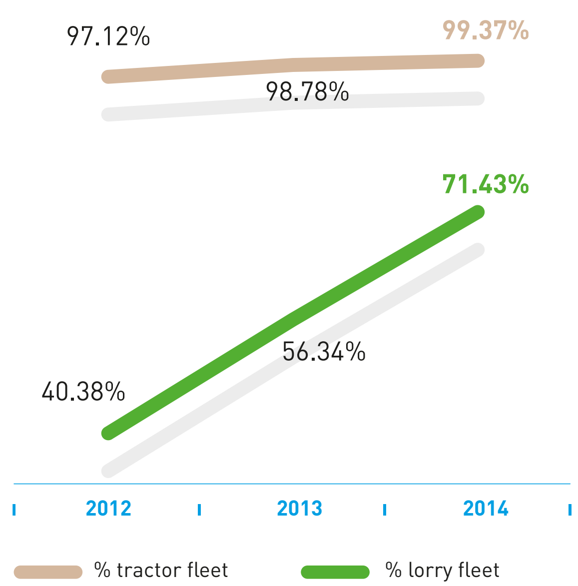
Tractor consumption change
STEF Transport France



Reducing pollutants

STEF has an ambitious policy of regularly replacing its company-owned fleet of tractors and lorries and operates vehicles in accordance with Euro VI standards.

% of Euro V-VI fleet - STEF France

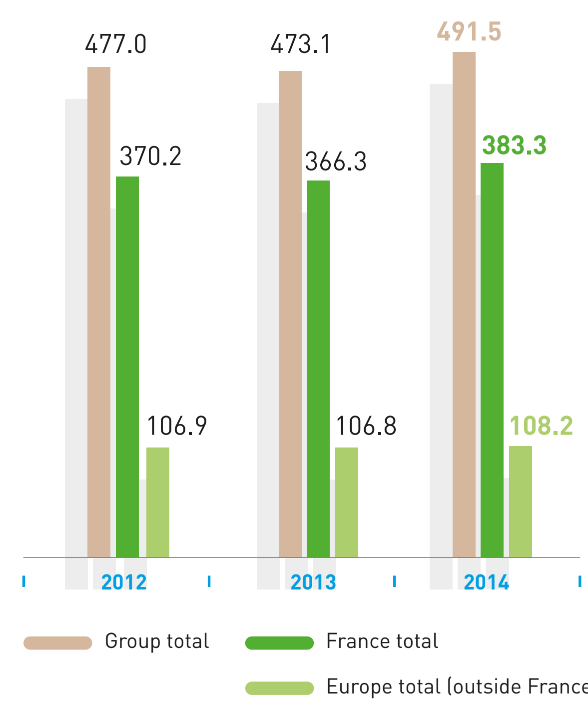


Warehouses and platforms

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. In October 2014 in France (which accounts for 77% of the Group's sites), IMMOSTEF's facilities were accredited under the ISO 50 001 standard.

Change in energy consumption in Europe (GWh).



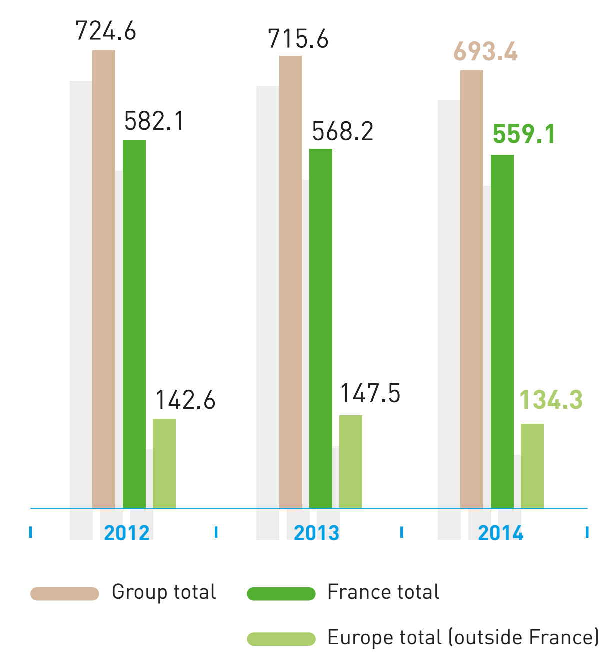
The development of the business, in both France and Europe (+7.8% tonnes delivered) naturally led to an increase in total energy consumption (3.9%). However, the analysis at constant scope highlights a reduction of 2% per year, in accordance with objectives.

Reducing water consumption

Water is mainly used to operate the air-cooling towers (ACT) needed to run the refrigerated facilities and for washing operating vehicles. Depending on the site, water requirements are provided by the city supply (81%) and boreholes (18%). New transport sites are equipped with rainwater harvesting systems (1%).

New procedures designed to reduce consumption are implemented when replacing refrigerated facilities. For cold production, air condensing equipment replaces water condensing, allowing the quantities used to be optimised (-3% compared with 2013).

Change in water consumption in Europe (km²).



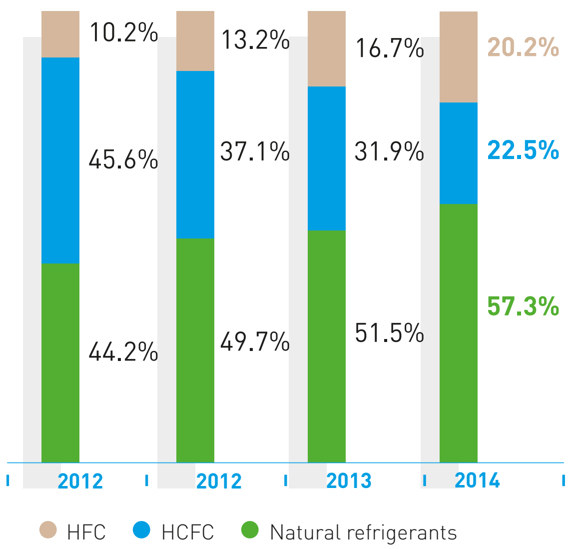
Converting refrigerated facilities with natural refrigerants

In accordance with regulations, STEF has finalised the conversion plan for its refrigerated facilities that use HCFC fluids by:

- prioritising natural fluids (ammonia and carbon dioxide) for negative cold facilities (storage warehouses);
- limiting the refrigerant charges (HFC-R134a) with distribution by coolant (Monoethylene glycol) for positive cold facilities (transport platforms).

These same principles are used for new facilities.

STEF France refrigerants Breakdown

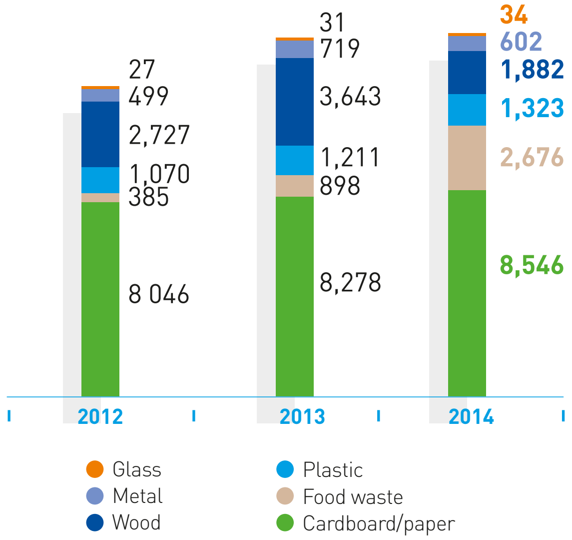


[6] Refrigerants, cooling liquids, used lubricants, PCB/PCT.

Waste management and sorting for recycling

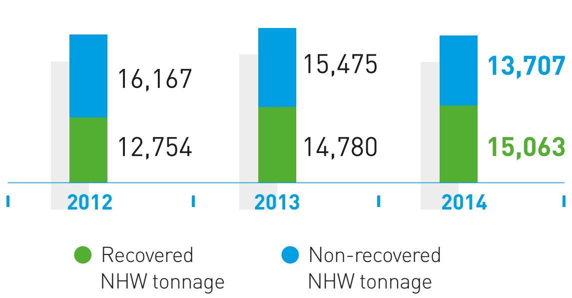
STEF has deployed a waste management policy across all its sites with two objectives: to reduce deposits and to continuously improve the recycling and recovery rates for non-hazardous waste (NHW): paper, cardboard, cellophane packaging, wood, metals glass and recyclable food waste.
Hazardous waste (HW)[6] is treated through the approved channels.

Composition of Recovered Waste in tonnes (Group total)



Despite the development of the business in 2014, deposits fell by -5%, compared with 2013. The waste recycling and recovery rate improved. It was 52% (which is 15,063 tonnes), compared with 46% in 2013.

Waste tonnage (Group total)



Maritime

La Méridionale continued to reduce the carbon footprint of its activities by optimising the engine speed/propeller pitch of its vessels in order to ensure the most fuel-efficient navigation speed.
Excluding exceptional journeys, the 2014 objectives were exceeded and the fleet's specific consumption declined by 0.53%.

Two programmes will begin in 2015:

1. changing the rotors on the GIROLATA, with the objective of lowering consumption by 15% at sea;

2. electrical connection for ships at berth, aiming to save 2,000 tonnes of oil equivalent annually.

Furthermore, the organisation of waste treatment has been improved and the number of collections reduced by 17%.

Optimising transport and logistics solutions

Attentive to its customers, STEF is constantly seeking new solutions for processing consignments, both in terms of logistics and transport, in order to offer an efficient, cost-effective and quality service.
This approach means questioning existing models (organisation, grouping consignments, increasing load densities) and searching for innovative production methods (engines, cold production).
For the moment, operating constraints do not permit the extensive development of modal transfer solutions (rail, river, sea), particularly for temperature-controlled transport, but STEF remains aware of these alternatives and systematically investigates them.

Urban distribution

Recurring pollution issues observed in towns and cities and the questions as to their long-term effect on health, has led the municipalities concerned to consider short-term traffic restrictions, particularly in town and city centres.

As a refrigerated logistics company, STEF is involved as broadly as possible in the ongoing discussions at different political and professional levels and actively monitors the latest emerging technologies to anticipate future challenges.

Consequently, various field experiments are being carried out:

- the urban distribution site in the city of Lyon is equipped with a fleet of twelve refrigerated lorries fitted with production technology for cryogenic cold with liquid nitrogen, developed in partnership with a manufacturer. The challenges are to reduce pollutants by 80% and totally remove the noise pollution related to refrigeration;
- different types of vehicles fitted with alternative engines to diesel are being tested across the network, often as part of partnerships with customers.

Ethical charter and involvement of suppliers and subcontractors

As part of its CSR policy, STEF has committed to drafting an ethical charter which will include standards for good business practice and a purchasing charter, planned for deployment in 2015.

Social policy

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

•• support the Group's European growth

•• develop the Group's commitment in its social responsibility

•• maintain the quality of the social dialogue

Group workforce at 31 December 2014

At 31 December 2014, the Group's workforce (permanent and fixed term employment contracts) totalled 15,556 employees, which is largely stable compared with December 2013 (+ 66 people). This increase is due in part to the change in the scope following the acquisition of SPEKSNIJDER (156 people) and STEF Trento in Italy (13 people).

These figures do not take into account assisted contracts (primarily apprenticeship and professionalisation contracts) which accounted for 253 people at 31 December 2014 or temporary staff, the number of which increased in comparison to 2013 (3,661 against 3,408)[7]. Including all contract types, the Group's workforce increased by 1.7% over the period.

[7] Number of temporary hours worked during December 2014/151.67 (legal monthly working hours).

Workforce by division

Permanent and fixed term employment contracts	31/12/2012	31/12/2013	31/12/2014
Transport France (STEF Transport)	7,463	8,356	8,096
Logistics France (STEF Logistique)	3,352	3,426	3,450
European activities (STEF International)	2,621	2,652	2,886
Maritime (La Méridionale, mainly)	532 [8]	510	557
Other activities and central functions	532	546	567
Group total	**14,500**	**15,490**	**15,556**

[8] Suspended or long-term sick employees are excluded from this figure.

Workforce by country

	31/12/2012	31/12/2013	31/12/2014	Change 2013/2014
Workforce France	11,914	12,877	12,735	-1.1%
Workforce outside France	2,586	2,613	2,821	8.0%
- of which Spain	1,261	1,228	1,249	1.7%
- of which Portugal	440	425	440	3.5%
- of which Italy	489	520 [9]	574	10.4%
- of which Benelux	289	317	470	48.3%
- of which United Kingdom	34	33		-100.0%
- of which Switzerland	73	90	88	-2.2%
Group total	**14,500**	**15,490**	**15,556**	**0.4%**

The overall workforce of the international division increased, with contrasting trends depending on the country and business activity trends.

[9] Italian "assisted" permanent and temporary employment contracts were included in the workforce in 2013.

Workforce by gender

The number of women is stable, representing 19.9% of the workforce at the end of 2014, compared with 19.7% at the end of 2013. The share of female employment varies depending on the country:

% of women in the workforce over the Group

France	Spain	Portugal	Italy	Benelux	Switzerland	Total
18.7%	28.0%	25.0%	33.3%	9.8%	9.1%	19.9%

Workforce by category

The structure of the workforce by category has remained steady over the last three years.

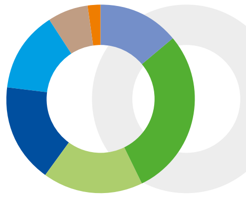
This breakdown is largely affected by the French characteristics since outside France, employees classed in the "executives" category account for just 2.9% of the workforce.

Categories (EUROPE)	2012 [10]	2013	2014
Executives	11.1%	11.1%	11.2%
Advanced and Proficiency skills	17.8%	17.9%	17.8%
Employees	14.6%	14.0%	14.4%
Manual workers	56.5%	57.0%	56.7%
- of which transit staff	21.2%	23.0%	22.2%
- of which sedentary workers	33.2%	32.3%	32.6%
- of which seagoing workers	2.0%	1.7%	1.9%

Workforce by age bracket

At 31 December 2014, the Group's workforce (permanent and temporary employment contracts) was broken down as follows:

Permanent and temporary employment contracts by age bracket



- **14%** under 30 years old
- **29%** 30-39 years old
- **17%** 40-44 years old
- **17%** 45-49 years old
- **14%** 50-54 years old
- **7%** 55-59 years old
- **2%** 60 years old and over

This breakdown is stable compared with the previous year, which is evidence of the constant renewal of the workforce, despite a low staff turnover.

The situation varies depending on the country. Thus, in Portugal, 66% of employees are under 40, while this category accounts for 41.5% of the French workforce.

Staff turnover

In 2014, staff turnover[11] was 7.4%. 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: 987 new appointments or promotions, including 847 in France;

•• Permanent contract departures: 1,234 departures including retirements or pre-retirement leave – scheme available to drivers satisfying the age and length of service criteria, conventional dismissals or exits from the scope and redundancies.

Remuneration

In addition to basic remuneration, revised annually within each subsidiary, STEF's remuneration policy may include variable remuneration components depending on the achievement of qualitative and quantitative objectives (incentive bonuses and profit sharing within each subsidiary in France) as well as benefits such as health benefits.

[10] For Belgium, the workforce by category in 2012 was reconstituted from the 2013 workforce.
[11] Permanent employees (new appointments and departures)/2/workforce at 31 December 2014, including takeovers and transfers.

In 2014, compared with 2013, excluding the effect of the EBREX takeover, payroll[12] increased by 1.9%, for an actual growth in the workforce of 0.5%[13] on average. This average discrepancy of 1.4% can be explained by the outcome of annual negotiations, the increasing seniority within the Group and the strengthening of skills.

Work organisation

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

The organisation of work at STEF is consistent with the business. So in 2014, 18.5% of hours worked were at night (compared with 17.4% in 2013), particularly within the transport business, where deliveries must be made before stores open[14].

Rate of night hours

France	Spain	Portugal	Italy	Belgium	Switzerland	Total
20.4%	10.0%	19.0%	6.2%	18.0%	0.9%	18.5%

There is no shift work.

Absenteeism due to illness or accident at work[15] was steady at 5% (4.9% in 2013).

[12] 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).
[13] Average end of month workforce permanent and temporary employment contracts, excluding Italy and La Méridionale where the calculation is in FTE.
[14] Excluding La Méridionale, because working time is governed by specific rules and shift work.
[15] 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 companies STEF Trento and SPEKSNIJDER, incorporated in 2014 was not included in the indicator. For La Méridionale, the number of theoretical calendar days is based solely on appointments-departures and working time.

Human resources development

Mobility and professional career management

The Group elected to favour mobility and internal promotion for its development with the aim of filling 70% of its executive and senior positions internally.

The Group has set up assistance and career management measures for its employees. Development meetings, skills assessments and key post reviews are the main 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 has been a job board for two years. In 2014, 149 positions were published on this board (compared with 102 in 2013). It also advertises opportunities in Italy, Switzerland and Spain.

Recruitment

STEF is focusing its recruitment policy on young graduates.

The Graduate Programme was created to prepare young graduates for management positions. At 31 December, 183 young employees were following a two-year training cycle within the Group's subsidiaries.

In addition, partnerships have been formed with universities, particularly in Spain, Portugal and Italy.

In France, sandwich courses are widely used and at the end of 2014, there were 114 apprentices and 119 professionalisation contracts among the workforce.

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 2014, the number of training hours given in the Group amounted to 202,739 hours (compared with 190,288 in 2013), which is 13.4 hours per employee.

The strategic priorities for training are:

- developing the employability of staff, in particular that of unskilled and skilled workers, with the aim of maintaining or developing their professional expertise;
- strengthening the managerial culture and the technical skills of managers;
- the professionalisation of the tutorial policy;
- learning the principles and practices related to Health and Safety at Work (HSW).

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. In France to date, over 20,000 hours of training have been given. Over 800 employees are currently being trained and more than 70 sites have launched the scheme. The objective is then to support the volunteers through a process of validating prior experiences. These initiatives are gradually being deployed across Europe. Spain in particular, received the "Entrepreneurs et Emploi" (Entrepreneurs and Employment) award from the economic newspaper "Expansión" for this project.

Educational innovations

In France, the professional training courses have been re-written using a "skills" approach, which makes them modular so they can be adapted to the needs of each employee. Furthermore, since 2013, STEF has had an online learning platform which allows employees to carry out their own training, on the subjects of their choice.

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 140 permanent and temporary, licensed and certified trainers, who are authorised to work throughout Europe. In 2014, the IMF catered for 4,017 trainees and gave 52,399 hours of training.

Social responsibility

Professional diversity and equality

The Group has incorporated the principles of non-discrimination in terms of access to employment, job fulfilment and the treatment of its employees into its human resources policy, and this in all operating countries. STEF believes that diversity is a source of richness and efficiency and is part of its corporate social responsibility.

In France, a dedicated team is responsible for Disability and Diversity missions. In other countries, the Human Resources Department is responsible for ensuring compliance with and promotion of these principles.

Disability

The integration of disabled employees can be measured in countries where there is specific legislation (Spain, France and Italy). In this scope, the employment rate reached 4.18% at 31 December 2014.

In France, in 2014, the focus on the employment and professional development of these employees continued. The "Job Discovery Days" scheme enabled employees wishing to work on their professional development; this scheme won the OCIRP and Cercle Humania awards. The change in the employment rate of disabled employees is testament to STEF's proactive policy in this area; in 8 years, this has gone from 2.78% to 4.51%.

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

Professional gender equality

In France, a framework agreement signed in March 2013 has enabled the subsidiaries to set up an agreement or action plan at their level. An awareness campaign was conducted on 8 March on International Women's Day.

Older workers

In France, there are special measures for older workers in order to support them in their career management including specific training to "boost the second half of their careers" or "in anticipation of stopping work".

Health and safety at work (HSW)

In France, 2014 saw the HSW procedure strengthened with the pooling of the Accident Prevention Coordinators network and the associated HSW action plans.
The various tools (single risk evaluation document, field visits, analysis of accidents at work) and programmes (Challenge HSW, dedicated computing tool) implemented, deployed and optimised in 2014, have led to better control of hazardous situations and major risks. The frequency rate for occupational lost-time accidents was 46.3 for 881 lost-time accidents, the severity rate was 2.8.
Each of the other operating countries continued its actions and a coordination framework has been set up to share good practices. For the entire Group, the frequency rate for occupational lost-time accidents was 44.5 for 1105 lost-time accidents, the severity rate was 2.5.

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. France has a dedicated team in this area; in other countries, the Human Resources Department or the Business Units implement the necessary actions.

Ergonomics

The objective of ergonomics is to adapt work in order to protect employees' health. In France, the Group continued to diagnose exposure to factors of arduousness, for all the jobs in the subsidiaries concerned. At the same time, ergonomic interventions were carried out (layout of administrative working areas and packaging lines).

Occupational psychology

In 2014, in France, the main priority was the prevention of psycho-social risks (PSR). An agreement signed in this area has been used to structure prevention initiatives. Within this framework, awareness initiatives, detailed, on-site diagnoses and individual support actions were started.

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 and transport 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. This modernised framework permitted two agreements to be signed in 2014 (profit-sharing bonus and psycho-social risks).

Employee shareholding

With 16.8% of STEF's capital held by its employees through the dedicated company mutual fund (FCPE), STEF has made the principle of employees' association in its capital, a unique model in its business sector.

This system is an integral part of the Group's history and company culture and a high number of employee shareholders is considered as a lever for boosting STEF's effectiveness in its business. Over the years, the employee shareholding has become a motivation tool for employees and reinforces their sense of belonging. It is a strong element for staff cohesion.

64% of the workforce in France now has shares through the STEF FCPE. This is gradually being deployed in the countries where STEF operates.

Societal commitments

Measures taken for the health and safety of consumers

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;

•• information systems that ensure the traceability of goods and which are used to respond to any request for identification and location.

STEF has set up a Health Control Plan (HCP) in France, which describes the measures taken to ensure the health and safety of the Group's activities regarding potential biological, physical and chemical risks. This Plan is successfully deployed through compliance audits, supported by action plans. French sites have a health and safety certificate and the process is automatically started for those joining the company during the year.

Sponsorship

STEF opts for long-term involvement in initiatives created with partners that are also established in the regional economy, and which correspond to its expertise and values.

STEF lends its support to the "Sport in the City" association in the Lyon region and "Our Districts have Talent" association in the Paris region. These aim in particular to help young people who are experiencing difficulties fitting into the world of work. At the same time, they bear the values of solidarity and perseverance that characterise the Group.

Since 2008, STEF has supported the French paralympic team, Under the renewal of its partnership, STEF is the official partner of the "Ski Handisport" commission and will support leisure activities as well as national and international competitions organised by the French Handisport Federation.

In 2014, STEF renewed its sponsorship agreement with the Restos du Cœur for three years. This focuses on the professional integration of beneficiaries, the training of volunteers, skills-based sponsorship and logistics assistance for the annual campaign and industrial donations. Over 7,000 pallets of food products were transported in 2014.

In Spain, the Group has developed a partnership with the Association of Manufacturers and Retailers (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 being sent in 2014.

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).

Furthermore, as an employer, in the regions and countries where it operates, the Group forges relationships with universities and professional integration organisations.

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 is working to protect the environment: involvement of its employees in operations to clean up the shorelines, communication on cleanliness at sea, educating children about the maritime environment. In 2014, it won the "Blue Charter" trophy awarded by Armateurs de France, for all its actions.

CSR compliance table

Social information

a Employment — p.32-34
- total workforce, breakdown of employees by sex, age and geographic area
- new appointments and redundancies
- remunerations and changes in remuneration

b Work organisation — p.35-39
- 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

c Staff relations — p.39
- organisation of social dialogue (information and consulting procedures for personnel and negotiations)
- overview of collective agreements

d Health and safety — p.38-39
- 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)

e Training — p.36-37
- training policy
- total number of training hours

f Equal treatment — p.38-39
- measures taken for gender equality
- measures taken for the employment and inclusion of disabled people
- policy to combat discrimination

g Compliance with the provisions of ILO core conventions — p.35

Environmental information

a General environmental policy — p.26-29
- 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

b Pollution and waste management — p.30
- 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

c Sustainable use of resources — p.27-30
- 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 — N/A

d Climate change — p.26-28
- greenhouse gas emissions
- adaptation to the consequences of climate change

e Protecting biodiversity — p.41
- measures taken to protect and develop biodiversity

Societal commitments

a Territorial, economic and social impact of the Company's business — p.41
- in terms of employment and regional development for resident or local populations

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) — p.41
- conditions for dialogue with these people or organisations
- partnership or sponsorship initiatives

c Subcontracting and suppliers — p.31
- consideration of social and environmental issues in the purchasing and outsourcing policy
- the importance of subcontracting and the consideration of CSR in supplier relationships

d Fair practices — p.40
- actions taken to prevent corruption
- measures taken for the health and safety of consumers

e Other human rights actions — N/A

Auditors' certificate

Report by the independent third party organisation on the consolidated social, environmental and societal information appearing in the management report.

Year ended 31 December 2014

To the Shareholders,

In our capacity as an independent third party organisation, a member of the Mazars network, the STEF company's Statutory Auditors, accredited by COFRAC under number 3-1058[16], we hereby present our report on the consolidated social, environmental and societal information for the year ended 31 December 2014 and presented in the management report (hereafter the "CSR Information"), in accordance with Article L. 225-37 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 reference systems used by the Company (hereafter the "Reference Systems"), a summary of which appears in the management report and which are 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 Systems used (Reasoned opinion on the sincerity of CSR information).

Our work was conducted by a team of 3 people between January and March 2015 for an approximate duration of 4 weeks.

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[17].

1. 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 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 French Commercial Code.

In the event of the absence of certain 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.

[16] the scope of which is available on the website www.cofrac.fr

[17] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

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

2. 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 Systems with regards their 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 industry good practices.

For the CSR information that we considered most important [18]:

•• 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 entities that we selected[19] based on their activity, their contribution to the consolidated indicators, 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 81% of the workforce on average and between 76% 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.

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, 21 April 2015
The independent third party organisation,
Mazars SAS

Emmanuelle RIGAUDIAS
CSR and Sustainable
Development Associate

[18] Social information: end of period workforce, breakdown by sex and age, number of training hours, staff turnover, absenteeism rate. Environmental information: 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 Societal information: measures taken for consumer health and safety.

[19] Social information: on the Paris site, on the Fauverney site in Dijon and on the Marseille site (CMN and CMM). Environmental and societal information: on the Gerland site in the Lyon region and the Fauverney site in Dijon.

Risk factors

The Company has reviewed the risks that may have a significant adverse effect on its business, its financial situation or its results and considers, to the best of its knowledge, that there are no other significant risks or risks that may have a significant adverse effect, other than those presented.

Risks associated with the Group's activities

Macro-economic risks related to the economic situation in certain 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 divisions (Transport 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 of such an issue, the Group's organisation and national network of facilities enable it to manage, quickly, the eventuality of not being able to use one or more of its operating facilities on short notice.
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.

These systems are also used to reduce to a minimum the risks of damage to a building or consigned goods particularly following the outbreak of a fire. At Group level, the risks are limited, because of the number of warehouses and platforms in operation enabling the Group to transfer the consignments affected by the damage to another site quickly.

Furthermore, STEF has implemented a maintenance programme and, each year, invests in making these sites safe against any incident and reducing as much as possible the risks of such an event occurring and limiting the damage should such an event occur. A dedicated department, the Real Estate Technical division, is responsible for these actions and a standardised Group prevention policy has been deployed based on evaluation tools and following recommendations.

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.

Compliance with environmental standards

The Group's sites must comply with the applicable environmental standards. Capital investment projects are examined to ensure compliance with the regulation specific to facilities classified for environmental protection (ICPE), taking into account the environmental impacts according to the recommendations of the "sustainable logistics platform" AFILOG Charter and the High Environmental Quality (HEQ) guidelines specific to refrigerated storage.

Road risk

Road risk is inherent in the Transport business and STEF has made road safety a priority.
Road risk is controlled through a safety training plan (outside compulsory training) which in 2014 amounted to 9,000 hours, 3,200 regularly trained drivers and 20 specialist road safety trainers. A specific prevention plan was also deployed. These initiatives have led to a regular improvement in the number of road accidents.

Information systems risks

Due to its dependence on information flows, which constantly circulate and their necessary security, the safeguarding and security of data are a priority. This is why the Group has a centre of expertise dedicated to information systems, STEF Information & Technologies. The safeguarding of data, its 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 real estate/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

La Méridionale has a public service concession agreement (PSC) to provide services to Corsica, via the port of Marseille, signed with the Corsican authorities and the Corsican Office of Transport. This concession takes the form of a joint and several partnership with the SNCM.

In the event that one party goes into receivership, the PSC contains specific provisions 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 2014, STEF had 23 confirmed medium-term credit lines, totalling €298 million. At 31 December 2014, up to €183 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 €23 million were used at 31 December 2014 and overdraft agreements, with no agreed expiry dates, totalling €90 million, of which €32 million was used at 31 December 2014. 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 2014, approximately 50% 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

In 2014, the Group took advantage of the fall in interest rates to convert part of its debt to fixed rate by setting up interest rate hedging.

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

At 31 December 2014, the floating rate debt component, after hedging, represented 41% 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 as regards 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.

Exchange rate risk

Most of the flows outside the Eurozone concern Switzerland, where the business represents a small part of the Group's turnover. In this scope, the income and associated costs are accounted for in Swiss francs, which limits the impact of a change in the exchange rate €/CHF on the Group's results.

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 transport, the "direct action" mechanism (Gayssot law) of the transport company with regards the shipper and/or final consignee of the goods, and for logistics, the right of retention over the goods of the storage company, considerably reduce 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.

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.

Risk of failure of the internal control system

The Group has set up an internal control system, within the scope of consolidation, designed to improve the control of activities and the effectiveness of its operations. Like any control system, the internal control system, as comprehensive as it is, can only give reasonable assurance and not, under any circumstances, an absolute guarantee that the risks to which the Group is exposed have been completely removed. For the 2014 financial year, the Internal Audits carried out did not reveal any failure of the internal control system which may result in substantial risks.

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

The positions of Chairman and Chief Executive Officer have been separated. This type of governance has been determined given the development of the Group's business, particularly in Europe and its decentralised operational structure.

•• The Chairman of STEF is Mr Francis LEMOR

•• The Chief Executive Officer is Mr Jean-Pierre SANCIER

•• Two Deputy Executive Officers complete this structure:

- Mr Serge CAPITAINE, in charge of sales and marketing
- Mr Stanislas LEMOR, in charge of administration and finance

Mr Bruno DUQUENNE, Deputy Executive Officer, in charge of European operations, retired on 1 July 2014 and his contract as Deputy Executive Officer ended on this date. Since this date, Mr Bruno DUQUENNE'S operational functions, depending on the size and location of the entities under his supervision, have been performed by Messrs. J.P. SANCIER, S. CAPITAINE and S. LEMOR.

Changes within the Board Of Directors

The term of office of Mr Xavier OGIER DU TERRAIL ended at the Shareholders' Meeting on 14 May 2014. Mrs Elisabeth DUCOTTET was appointed as a Director during this same meeting.

In accordance with the French Law of 14 June 2013 on Safeguarding Employment, two Directors representing employees took up their duties on 28 January 2015, one appointed by the Company's Works Council, Mr Alain GEORGES and the second appointed by the European Works Council, Mr Jean-Michel DELALANDE.

The terms of office of Messrs GIUILY and de LAMBILLY end on 20 May 2015 after the Shareholders' Meeting. The Board of Directors will then be comprised of 14 members.

Offices and positions held by directors in 2014

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

•• Chairman of the Board of Directors, then from 17 March 2014, Chairman & CEO of the company Union Économique et Financière (UEF)
•• From 17 March 2014, Legal Representative of UEF, Chairman of Européenne de Logistique du Froid
•• Director of Atlantique Management
•• Chairman of the Board of Directors of Immostef
•• 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, Managing Director of Temis Movimoda, Director of Superga Lux, Corporate Manager of the SCI of 4 rue du Hoguet and Permanent Representative of Superga Invest
•• Chairman of Manifesto, Director of Manifesto UK

Mrs Elisabeth DUCOTTET
Appointed to the Board in 2014

•• Corporate Manager of Holding Thuasne, Chairwoman of Thuasne Management, terms as Chairperson and Corporate Manager in companies belonging to the Thuasne Group in Europe
•• Managing Partner of the SCI (real estate investment company) Val du Parc
•• Director of Universcience and Museal Luxembourg

Mr Jean-Charles FROMAGE
Appointed to the Board in 2005

•• Director of Atlantique Management
•• Director 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 Froid Combi, Prim@ever and of GST Prim@ever
•• Permanent representative of STEF on the Board of Directors of the company Immostef,
•• Director of STEF Suisse

Mr Eric 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
•• Director of Compagnie Méridionale de Navigation (Chairman of the Board of Directors of this same company until 20 June 2014)

Mrs Murielle LEMOINE
Appointed to the Board in 2011

•• Director of Immostef

Mr Dominique NOUVELLET
Appointed to the Board in 2003

•• Director of Siparex Associés, of Tuninvest Finance Group (Tunisia), of Morocco Capital Invest (Morocco) and of Beltone Financial (Luxembourg)

Mr Xavier OGIER DU TERRAIL
Director from 2001 to 2014

•• Chairman of 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

•• Director of Immostef and UEF
•• Permanent representative of the company UEF, Director of Atlantique Management
•• Chairman of Gerignac SAS, Chairman of Géribourg, Corporate Manager of FDC Conseil Patrimoine, Vice-Chairman of the Supervisory Board of Auris Gestion Privée
•• Legal Representative of UEF, Chairman of Européenne de Logistique du Froid until 17 March 2014

The Company has adopted the Middlenext governance code. The Board of Directors includes six independent directors in the sense of the Middlenext Code. These are Mrs Ducottet and Mrs Lemoine and Messrs Bouthillier, Bréau, Giuily, and Hau.

Offices and positions held by members of the Executive Management in 2014

Mr Jean-Pierre SANCIER
Chief Executive Officer

•• Chairman of STEF Transport:
•• 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 AG (Switzerland) (until 13 August 2014)

Mr Serge CAPITAINE
Deputy Executive Officer

•• Chairman of the Board of Directors of STEF Logistics Courcelles, STEF Logistics Saintes and STEF Transport Saintes (Belgium)

Mr Bruno DUQUENNE
Deputy Executive Officer, until 1 July 2014

•• Director of Immostef
•• Deputy Executive Officer of STEF Transport (until 30 June 2014)
•• Director and Vice-Chairman of STEF Suisse SA (Switzerland)
•• Director of Olano Valencia S.L., STEF Los Olivos and STEF Iberia (Spain)
•• Corporate Manager of STEF Portugal-Logistica e Transporte, Lda (Portugal)
•• Director of the Board of Directors of STEF Logistics Courcelles, STEF Logistics Saintes and STEF Transport Saintes (Belgium), Chairman of these companies until 30 June 2014
•• 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 S.R.L., 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 LEMOINE, Mr BOUTHILLIER and Mr ETZENBACH is determined in relation to the overall performance of the Group and objective comparative elements.

Mrs HENSGEN-STOLLER, Key Accounts Director of Logistique France, is remunerated under the terms of her employment contract.

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.

The employment contracts of Messrs J.P. SANCIER, S. CAPITAINE and S. 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.

The employment contract of Mr B. DUQUENNE contains provisions relating to payments to be made to him in the event of termination of his 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. Since Mr B. DUQUENNE retired on 1 July 2014, these commitments were not applied.

Remunerations, net of social security contributions, paid to company officers:

(In euros) **Directors**	Directors' attendance fees 2014	Fixed remuneration 2014	Variable remuneration 2014 [1]	Exceptional remuneration 2014 [2]	Benefits in kind 2014
Francis LEMOR, Chairman of the Board of Directors	11,215	178,497	86,814		5,016
Bernard JOLIVET, Vice-Chairman	8,715			55,000	
Gilles BOUTHILLIER	3,629				
Alain BRÉAU	4,839				
Elisabeth DUCOTTET	3,629				
Jean-Charles FROMAGE	11,535		67,423	165,000	
Eric GIUILY	2,419				
Emmanuel HAU	10,048				
Estelle HENSGEN-STOLLER	6,048	50,506	7,118		2,546
Robert de LAMBILLY	7,715	100,107 [3]	123,198		
Murielle LEMOINE	9,548				
Dominique NOUVELLET	8,839				
Xavier OGIER DU TERRAIL	3,753				
Allianz Vie, represented by Peter ETZENBACH	6,048				
Atlantique Management represented by François de COSNAC	9,548				
Executive Management					
Jean-Pierre SANCIER ,Chief Executive Officer		232,948	112,314		6,449
Serge CAPITAINE, Deputy Executive Officer		196,629	94,218		4,392
Bruno DUQUENNE, Deputy Executive Officer until 1 July 2014	3,500	380,870 [4]	92,682		1,746
Stanislas LEMOR, Deputy Executive Officer		177,794	76,775		3,042

[1] paid in 2014 under the 2013 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 B. JOLIVET and J.C. FROMAGE for their advisory assignments from 1 July 2012 which are detailed below.
[3] of which €56,375 contractual length-of-service awards payable on retirement.
[4] of which €279,827 contractual length-of-service awards payable on retirement.

Two agreements were signed with Mr Bernard JOLIVET and Mr Jean-Charles FROMAGE, former Deputy Executive Officers:
Mr B. 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 J.C. 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 2014, the share capital amounted to €13,515,649, comprising 13,515,649 shares of a nominal value of €1. There was no change in the share capital in the 2014 financial year.

A reduction in share capital through the cancellation of 350,000 treasury shares was decided on by the Board of Directors on 28 January 2015 and authorised by the Shareholders' Meeting.

Breakdown of share capital and voting rights at 31 December 2014

9,455,881 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	34.65%	7,959,265	36.54%
FCPE STEF [2]	2,211,813	16.36%	4,411,480	19.20%	4,411,480	20.25%
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	11.19%
Union Économique et Financière (UEF) [3]	950,459	7.03%	1,896,081	8.25%	1,896,081	8.70%
Société Européenne de Logistique du Froid [4]	737,809	5.46%	1,471,371	6.41%	1,471,371	6.75%
Mr. Francis LEMOR [5]	63,787	0.47%	127,319	0.55%	127,319	0.58%
Sub-total – concerted action	9,183,804	67.95%	18,303,357	79.68%	18,303,357	84.01%
Treasury shares	1,187,116	8.78%	1,187,116	5.17%	0	0.00%
Other (shareholders owning less than 5% of the share capital)	3,144,729	23.27%	3,481,057	15.15%	3,481,057	15.99%
Total	**13,515,649**	**100.00%**	**22,971,530**	**100.00%**	**21,784,414**	**100.00%**

[*] Excluding voting rights pertaining to shares without voting rights (treasury 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

Bestinver Gestion, SGIIC, a limited company under Spanish law acting on behalf of managed funds, declared that it had exceeded the lower threshold of 10% of the share capital and 5% of voting rights on 8 October 2014, then 5% of the share capital on 9 October 2014.

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 31/12/2014 in euros	Balance in euros	Term 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

Securities giving access to the share capital - redeemable share subscription and/or purchase warrants (BSAARs)

Number of BSAARs issued	Start date of exercise	End date of exercise	Price of exercise	Number of BSAARs exercised at 31 December 2014	Number of BSAARs cancelled at 31 December 2014	Number of BSAARs remaining to be exercised
904,976	21/07/2010	20/07/2015	€51.20	234	885,023	19,719

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

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	Annual accounts at 31/12/2013	Shares acquired in 2014	Shares sold in 2014	Shares transferred in 2014	Annual accounts at 31/12/2014
Supporting the share price through a liquidity contract	15,992	202,539	-206,368		12,163
Hedging of securities giving access to the attribution of shares	19,905			-186 [1]	19,719
Hedging of attribution of shares to employees as part of the company savings plan	34,240	30,000		-2,910 [2]	61,330
Shares used for payment or exchange as part of an acquisition	400,000	250,000			650,000
Treasury shares in the process of being cancelled [3]		350,000			350,000
Others	93,904				93,904
Total	**564,041**	**832,539**	**-206,368**	**-3,096**	**1,187,116**

2014 share repurchasing plan

In the 2014 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 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%.

•• Share repurchasing plan voted by the Shareholders' Meeting of 14 May 2014 under the terms of the 9th resolution : the maximum purchase price was set at €70, 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 2014, the balance of treasury shares under the liquidity contract stood at 12,163 shares.

Share price

Between 2 January and 31 December 2014, the share price ranged from a €39.00 low and a €64.00 high. Over the same period, the daily average number of shares exchanged was 11,960. The annual average share price was €53.35.

[1] On exercising 186 share purchase warrants.
[2] When shares were attributed to employees as part of the company savings plan.
[3] Cancellation decided on 28 January 2015 by the Board of Directors. On 8 and 10 September 2014, STEF acquired 630,000 shares for an average gross amount of €44.93.

Important events occurring between the balance sheet date and the date of this report

Reduction in share capital through the cancellation of treasury shares.

On 28 January 2015, the Board of Directors decided to cancel 350,000 treasury shares, which was 2.59% of the share capital. Following this cancellation, STEF's share capital was reduced to 13,165,649 shares of a nominal value of €1, which is an amount of €13,165,649.

Breakdown of share capital and voting rights at 31 January 2015, after the transaction

(9,455,881 shares have double voting rights)

	Shares	% capital	Theoretical voting rights	% theoretical voting rights	Exercisable voting rights [*]	% exercisable voting rights (*)
Atlantique Management [1]	3,998,697	30.37%	7,959,265	35.18%	7,959,265	36.53%
FCPE STEF [2]	2,211,813	16.80%	4,411,480	19.50%	4,411,480	20.25%
Société des Personnels de la Financière de l'Atlantique (S.P.F.A) [1]	1,221,239	9.29%	2,437,841	10.79%	2,437,841	11.19%
Union Économique et Financière (UEF) [3]	950,459	7.22%	1,896,081	8.38%	1,896,081	8.70%
Société Européenne de Logistique du Froid [4]	737,809	5.60%	1,471,371	6.50%	1,471,371	6.75%
Mr Francis Lemor [5]	63,787	0.48%	127,319	0.56%	127,319	0.58%
Sub-total – concerted action	9,183,804	69.76%	18,303,357	80.91%	18,303,357	84.00%
Treasury shares	835,106	6.34%	835,106	3.69%	0	0.00%
Other (shareholders owning less than 5% of the share capital)	3,146,739	23.90%	3,483,067	15.40%	3,483,067	16.00%
Total	**13,165,649**	**100.00%**	**22,621,530**	**100.00%**	**21,786,424**	**100.00%**

As a result of the reduction in STEF's share capital, on 28 January 2015, the company Atlantique Management declared that it had exceeded the upper threshold of 30% of the share capital of STEF.
The Autorité des Marchés Financiers (AMF) had previously granted the company Atlantique Management an exemption from the obligation to submit a proposed public offer for the STEF shares based on the Articles 234-8, 234-9 6th and 234-10 of its General Regulations.

[*] 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.

Outlook 2015

In 2015, the regulatory and tax environment of the southern European countries is seemingly becoming more favourable for business.

In France, in a climate of lower energy costs, the transport network will aim to return to its performance level prior to the incorporation of EBREX and the logistics network will continue to make the necessary changes due to the development of the out-of-home catering activities and to support the transformation of retail logistics patterns.

For the international business, 2015 will be a year of consolidating the historic performances of 2014 and developing the necessary real estate for the geographic coverage of different networks, mainly in Italy and Switzerland.

In 2015, La Méridionale will work to enhance its brand image and control maintenance expenses for the ships. It will remain aware of the issues related to the change in the partner business for the public service between Corsica and Marseille.

Finally, the STEF Group will continue its selective investment policy in its operating facilities, particularly real estate and disposal of unused assets.

Contents

Consolidated financial statements

Annual accounts

Internal control

Consolidated financial statements

(in €M)

Annual turnover	2014	2013	Change
Group's operations	**2,395**	**2,275**	**5.3%**
Third party sales*	371	358	3.5%
Group's total turnover	**2,765**	**2,633**	**5.0%**

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

The change in the Group's turnover was primarily marked by the acquisition of EBREX (3 months of operation in 2013 compared with 12 months in 2014) and the accelerated development of international activities.

	Turnover		Operating profit	
	2014	2013	2014	2013
Transport France	1,219	1,161	50.1	58.7
Logistics France	486	465	18.4	21.1
International	553	513	28.8	17.7
Maritime	112	108	5.0	1.7
Other activities	395	386	(0.3)	(1.8)
Total	**2,765**	**2,633**	**101.9**	**97.4**

Transport France

In 2014, the results of the Transport France division were affected by two major factors:

•• the integration of EBREX's flows and its operational effects during the first half-year;

•• the high volatility of food consumption in a context of stagnation and competition between hyper- and supermarket companies.
Year-end saw an improvement in operational quality and profitability.

Logistics France

In 2014, the Logistics France business benefited from a major foodservices business provided by EBREX and the successful opening of a new supermarket platform in the Midi-Pyrénées region. Efforts to structure foodservices activities and control operating expenses and payroll helped to increase the margins for this business.

However, in 2014 operating profit fell to €17.8 million. In fact, 2013 operating profit included an insurance payment of €7 million relating to an accident that occurred in 2012 at Corbas.

International

In a climate that remained unfavourable in 2014 in southern Europe, international activities posted a strong growth due to the Group's efforts to develop target markets close to France.

The Group confirmed the positive trend observed in Italy with an important development on the medium-sized customer segment and key export accounts. The Group accelerated its development in northern Europe with the acquisition of the company SPEKSNIJDER Transport in the Netherlands, which contributed approximately €5 million to turnover in 2014 (over 4 months).

Maritime

In 2014, for the first year of the new public service concession, La Méridionale achieved its performance objectives, despite the industrial disputes that affected the port of Marseille. The number of passengers travelling to Corsica fell by 2.2% over the year, although the freight business was more resilient with an increase in volumes of 1.9%.

Consolidated income

(in €M)

	2014	2013	Change
Turnover	**2,765**	**2,633**	**+5.0%**
Operating profit	**101.9**	**97.4**	**+4.7%**
Financial income	(14.6)	(13.7)	
Profit before tax	**87.4**	**83.6**	**+4.5%**
Tax expense	(22.9)	(25.2)	
Share in net profit (loss) of companies accounted for by the equity method	2.4	1.8	
Net profit (loss)	**66.9**	**60.2**	**+11.1%**
*• **of which profit attributable to Group shareholders**	**65.1**	**60.2**	**+8.2%**
•• of which profit attributable to minorities	1.8	0.1	
Earnings per share in euros (basic)	5.28	4.65	13.6%
Earnings per share in euros (diluted)	5.27	4.65	13.4%

Consolidated income

The Group's operating profit benefited from the rise in the CICE (€18.5 million, compared with €11.7 million in the 2013 financial year) and the contribution of European activities.

The operating margin was steady between 2013 and 2014, at 4.3% of turnover (excluding with third party trading activity).

Despite another fall in interest rates from May 2014, **the Group's financial cost increased** compared with 2013 as a result of its investment policy (external growth and investments in real estate assets).

The effective tax rate fell (26.2% of taxable income, against 30.2% in 2013) due to the CICE tax measure (non-taxable income) and the increase in taxable income outside France, where the Group is subject to a lower corporate tax rate than in France.

Net earnings from associated companies increased to €2.4 million, compared with €1.8 million in 2013, due in particular to the improvement in profits from the Primever group (33.33% shareholding) and Messageries Laitières (38.69% shareholding).

The fall in the Group's tax rate, combined with the improvement in profits from associated companies led to a increase in net profit of 11.1% at €66.9 million. The increase in net profit was reduced to 8.2% for the Group share after the refund to minority shareholders of the share of gains on sale made on the sale of an office building in Bordeaux.

In 2014, the Group invested heavily in its real estate assets:

•• construction of a new distribution site in Strasbourg (Bischheim);

•• extension of 3 logistics warehouses (Fauverney – Dijon, Corbas and Brignais, near Lyon);

•• significant redevelopment of a logistics hub in the Paris region (Vitry);

•• acquisition of land in Switzerland.

This investment programme was supplemented with the acquisition of the company SPEKSNIJDER on 1 September 2014. Through this transaction the Group became the owner of a temperature-controlled distribution site ideally situated between Amsterdam and Rotterdam.

In addition to this significant investment programme, the Group acquired 630,000 STEF shares on the market for a total amount of €28.3 million.

This transaction had a scissor effect on the debt ratio (reduction in equity and rise in the debt) and partly explains the **increased gearing which went from 1.08 to 1.17 at the end of December 2014.** Restated for this transaction on the share capital, 2014 leverage stood at 1.04.

Change in scope

Transactions in 2014

Acquisitions, start-ups, disposals

France

Creation of the company STEF Logistique Montbartier;
Acquisition of 15.7% of the share capital of STEF Logistique Plouénan, taking the shareholding of STEF SA to 94.8%.

Italy

Contribution of Trentino Fresco's business assets to the company ST1 Food Srl, renamed STEF Trento Srl, without changing the holding percentage of 51%.

The Netherlands

Acquisition of 100% of the share capital of SPEKSNIJDER Transport BV and its subsidiaries SPEKSNIJDER DHZ and SPEKSNIJDER Bodegraven.

United Kingdom

Sale of the entire share capital of two subsidiaries of STEF Transport: STEF Transport Limited and Seagull Transport Limited.

Internal restructuring

France

Transfer of all the assets of SNC de la Prairie, SNC Les Mares en Cotentin and SNC Perpignan Canal Royal to their parent company Immostef;

Transfer of all the assets of STEF Transport Bordeaux Pessac to the company STEF Transport Bordeaux Bègles.

Switzerland

Liquidation of the company with no business, TFE Transport AG.

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

Consolidated income statement

(in €K)

	note	2014 financial year	2013 financial year	change
Turnover	**4.1**	**2,765,397**	**2,633,128**	**5.0%**
Purchases from third parties	4.2	(1,789,634)	(1,716,264)	4.3%
Taxes and related expenses		(61,471)	(57,572)	6.8%
Payroll expenses	4.3	(731,040)	(688,634)	6.2%
Depreciation and amortisation		(90,576)	(83,684)	8.2%
(Net charges to) net reversals of impairment and provisions	4.4	684	480	
Other operating income and expenses	4.5	8,587	9,923	
Operating profit		**101,947**	**97,377**	**4.7%**
Financial expenses	4.6	(15,397)	(14,565)	
Financial income	4.6	808	819	
Net financial expense		(14,589)	(13,746)	-6.1%
Profit before tax		**87,358**	**83,631**	**4.5%**
Tax expense	4.7	(22,925)	(25,229)	
Share in net profit of companies accounted for by the equity method	4.13	2,448	1,821	
Net income		**66,881**	**60,223**	**11.1%**
*** of which profit attributable to Group shareholders**		**65,075**	**60,153**	**8.2%**
* of which profit attributable to minorities		1,806	70	
EBITDA	**4.8**	**191,839**	**180,581**	**6.2%**
Earnings per share:		(in euros)	(in euros)	
- basic earnings per share:	4.19	5.28	4.65	13.6%
- fully diluted earnings per share:	4.19	5.27	4.65	13.4%

Consolidated balance sheet

(in €K)

Assets	note	31 December 2014	31 December 2013
Non-current assets			
Goodwill	4.9	132,259	131,561
Other intangible assets	4.10	27,495	26,410
Tangible fixed assets	4.11	911,944	865,592
Non-current financial assets	4.12	32,596	34,406
Investments in associated companies	4.13	16,310	14,789
Deferred tax assets	4.14	27,984	27,410
Total non-current assets		**1,148,588**	**1,100,168**
Current assets			
Inventories and work in progress	4.15	41,152	41,280
Customers	4.16	437,797	424,721
Other receivables and current financial assets		148,402	147,703
Current tax assets		27,372	16,030
Cash and cash equivalents (a)	4.17	46,252	53,558
Assets held for sale		-	1,010
Total current assets		**700,975**	**684,302**
Total assets		**1,849,563**	**1,784,470**

Equity and liabilities	note	31 December 2014	31 December 2013
Equity			
Share capital		13,516	13,516
Share premium account		4,284	4,284
Reserves		419,243	406,290
Equity, Group share	**4.18**	**437,043**	**424,090**
Minority interests		3,525	4,128
Total equity		**440,568**	**428,218**
Non-current liabilities			
Non-current provisions	4.22	32,866	35,397
Deferred tax liabilities	4.14	44,790	45,228
Non-current financial liabilities (b)	4.20	413,704	385,011
Total non-current liabilities		**491,360**	**465,636**
Current liabilities			
Trade accounts payable		422,006	405,590
Current provisions	4.22	12,797	13,148
Other current liabilities		334,865	341,629
Current tax liabilities		905	983
Current financial liabilities (c)	4.20	147,062	129,266
Liabilities held for sale		-	-
Total current liabilities		**917,635**	**890,616**
Total equity and liabilities		**1,849,563**	**1,784,470**
Net debt (b) + (c) - (a)		**514,514**	**460,719**
Debt/equity ratio		**1.17**	**1.08**

Consolidated comprehensive income statement

(in €K)

	note	2014 financial year	2013 financial year
Profit for the period		66,881	60,223
Actuarial gains and losses on pension plans	4.21	82	1,508
Tax expense on non-recyclable items	4.14	(239)	(404)
Other items of comprehensive income, net of income tax which are not subsequently reclassified into income		**(157)**	**1,104**
Unrealised foreign exchange gains or losses from activities abroad		35	77
Effective portion of change in fair value of cash flow hedging derivatives		(7,061)	6,329
Tax expense on recyclable items	4.14	2,734	(2,272)
Other items of comprehensive income, net of income tax which are subsequently reclassified into income		**(4,292)**	**4,134**
Comprehensive income for the period		**62,432**	**65,461**
*** of which profit attributable to Group shareholders**		**60,626**	**65,391**
* of which profit attributable to minorities		1,806	70

Changes in consolidated equity

(in €K)

	Share capital	Share premium	Consolidated reserves	Translation reserves	Treasury shares	Fair value reserve	Total attributable to share-holders	Minority interests share	Total equity
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**
Dividends paid			(19,438)				(19,438)	(2,079)	(21,517)
Acquisition and disposal of treasury shares					(28,133)		(28,133)		(28,133)
Transactions with minority interests			(102)				(102)	(330)	(432)
Total transactions with shareholders	**0**	**0**	**(19,540)**	**0**	**(28,133)**	**0**	**(47,673)**	**(2,409)**	**(50,082)**
Comprehensive income for the period	**0**	**0**	**64,918**	**35**		**(4,327)**	**60,626**	**1,806**	**62,432**
Equity at 31 December 2014	**13,516**	**4,284**	**484,265**	**(363)**	**(54,633)**	**(10,026)**	**437,043**	**3,525**	**440,568**

Cash flow statement

(in €K)

	note	2014 financial year	2013 financial year
Profit for the period		66,881	60,223
+/- Net depreciation, amortisation, impairment of non-current assets and provisions		89,892	85,100
+/- Gains or losses from the sale of non-current assets	4.5	(6,428)	(2,885)
+/- Share in net profit (loss) of associated companies	4.13	(2,448)	(1,821)
+/- Change in market value of derivatives		0	0
+/- Change in unrealised foreign exchange gains or losses		448	67
+/- Other income and expenses, generating no change in cash		0	578
- Deferred tax	4.14	1,354	3,200
Cash flow from operations (A)		**149,699**	**144,462**
+/- Change in working capital (B)		(12,504)	(34,155)
Net cash from operating activities (C) = (A+B)		**137,195**	**110,307**
- Cash used in acquiring intangible assets	4.10	(8,634)	(12,043)
- Cash used in acquiring tangible fixed assets	4.11	(125,226)	(103,348)
+/- Change in granted loans and advances + financial assets		(7,194)	(792)
- Deferred payments related to the acquisition of fixed assets		(1,202)	(1,250)
- Proceeds and cash used in the acquisition and sale of subsidiaries net of acquired cash (**)		(3,010)	(9,202)
+ Proceeds from sale of tangible and intangible fixed assets		15,642	7,049
+ Dividends received from equity instruments		927	853
Net cash from investment activities (D)		**(128,697)**	**(118,733)**
+/- Acquisition and disposal of treasury shares		(28,133)	799
- Dividends paid to STEF shareholders		(19,438)	(18,653)
- Dividends paid to minority shareholders		(2,077)	(121)
+ Proceeds from new borrowings		143,786	149,949
- Repayment of borrowings		(94,983)	(158,792)
Net cash from financing activities (E)		**(845)**	**(26,818)**
Net cash position at beginning of period*		7,728	42,972
Net cash position at end of period *		15,381	7,728
Change in net cash position (C+D+E) (*)		**7,653**	**(35,244)**
Net cash positions at the balance sheet dates are as follows: *		31/12/2014	31/12/2013
Cash and cash equivalents		46,252	53,558
Bank overdrafts and spot loans		(30,871)	(45,830)
		15,381	**7,728**

**	31/12/2014	31/12/2013
Cost of acquiring financial assets of purchased companies	(6,350)	(20,082)
Acquired cash	39	10,880
Net cash paid out	**(6,311)**	**(9,202)**

**	31/12/2014
Selling price of financial assets of sold companies	2,278
Repayment of the C/C	5,856
Cash disposed	(4,833)
Net cash	**3,301**

Contents

Notes to the consolidated financial statements 2014 financial year

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

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 2015. They shall only be finalised once they have been approved by the Shareholders' Meeting to be held on 20 May 2015. 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 2014 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 2014.
The IFRS are available on the European Commission website at the following address: htpp://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 2013.

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 2014:

- IFRS 10 "Consolidated financial statements";
- IFRS 11 "Joint arrangements";
- IFRS 12 "Disclosure of interests in other entities";
- amendments to IAS 28 (2011) "Shares in associated companies and joint ventures";
- amendments to IAS 32 "Offsetting financial assets and financial liabilities";
- amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets";
- amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting".

The Group's analysis of its shareholdings across all the periods presented, showed that the new definition of control given by IFRS 10 does not change the Group's scope of consolidation. The other standards had no significant impact on the Group's consolidated financial statements.
A number of standards, amendments to standards and interpretations adopted by the European Union in 2014 were not in force for the year which closed on 31 December 2014, and have not therefore been applied in the preparation of the consolidated financial statements. These include IFRS 15 and IFRS 9 in particular.

The Group did not want to carry out the early application of the interpretation of IFRIC 21 "Levies" and the amendment to IAS 19 "Employee Contributions". The impact of the application of these standards on the Group's half-yearly consolidated financial statements is underway.

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. STEF is assumed to have control when it has, directly or indirectly, power over the subsidiary and is exposed or entitled to variable returns due to its involvement with the subsidiary. STEF also has the ability to exercise its power over the subsidiary in order to influence the amount of any returns it receives. 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 jointly controlled by or 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.
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

The acquisition of minority interests are 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, transport 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
•• Transport 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. It represented 6% of the eligible annual basis in 2014, compared with 4% in 2013.

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 2014, 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 transport 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 assets (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 transport 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 Transport 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 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 2013:	**227**	**9**	**236**
SPEKSNIJDER (NETHERLANDS)	3		
STEF Logistique Montbardier (creation)	1		
STEF Transport Limited (sale)	-1		
Seagull (sale)	-1		
STEF Transport Bordeaux Pessac (TUP)	-1		
SNC de la Prairie (TUP)	-1		
SNC Les mares en Cotentin (TUP)	-1		
SNC Perpignan Canal Royal (TUP)	-1		
TFE AG Bale (liquidation)	-1		
Number of companies at 31 December 2014:	**224**	**9**	**233**

3.2 Changes in 2014

3.2.1 Acquisitions, start-ups

In late June, the Group finalised a transaction for the contribution of business assets in its Italian subsidiary STEF TRENTO, without changing its holding percentage (51%).

In late August, the Group acquired all the share capital in the Dutch group SPEKSNIJDER comprising of 3 companies. The temporary impact of this acquisition is described in the table below:

Names of acquired entities	SPEKSNIJDER TRANSPORT HOLDING and its subsidiaries SPEKSNIJDER DHZ, SPEKSNIJDER Bodegraven	
Business activity	Road haulage and logistics temperature controlled	
Location	BODEGRAVEN (Netherlands)	
Acquisition date	31 August 2014	
Percentage of acquired equity instruments conferring voting rights	100.00%	
Details of activities the Group decided to terminate	None	
Issue of equity instruments	No	
	In €K	
Cost of the combination paid in cash	€5,700 K	
Fair value of acquired assets and assumed liabilities	€3,904 K	
Goodwill (Profit on acquisition)	€1,796 K	
	from 01/01 to 31/08/2014	since the acquisition*
Turnover	€11,643 K	€5,226 K
Operating profit	€933 K	€517 K

*Attributable to STEF Group shareholders

3.2.2 Acquisition of minority interests

The Group increased its shareholding in the share capital of STEF Logistique Plouenan by 15.7%. This takes its shareholding to 94.8% at the end of 2014.

3.2.3 Sales, liquidations, universal transmission of assets (TUP)

In January, the Group sold all the shares it held in two British companies, STEF Transport Limited and Seagull.

The Group wound up a company with no business based in Switzerland: TFE AG BALE

In late December, SNC de la Prairie, SNC Les Mares en Cotentin and SNC Perpignan Canal Royal were subject to a Universal Transmission of Assets to their parent company IMMOSTEF.

STEF Transport Bordeaux Pessac was also subject to a Universal Transmission of Assets to the company STEF Transport Bordeaux Bègles.

3.2.4 EBREX's goodwill

The Group definitively stopped the goodwill of the EBREX companies on 31/12/2014. It amounted to €19.2 million. The change compared with the amount at 31/12/2013 is explained by the absence of the adjustment payment for the price of €1.25 million.

3.3 Changes in 2013

3.3.1 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. The temporary impact of this acquisition is described in the table below:

Names of acquired entities	EBREX France and its subsidiary STEF LOGISTIQUES SALON DE PROVENCE	
Business activity	Road haulage and logistics temperature controlled	
Location	THIAIS (France)	
Acquisition date	1 October 2013	
Percentage of acquired equity instruments conferring voting rights	100.00%	
Details of activities the Group decided to terminate	None	
Issue of equity instruments	No	
	In €K	
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

*Attributable to STEF Group shareholders

•• 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 real estate sites which they own freehold and the debts related to their financing. These sites are operated by the EBREX companies.

3.3.2 Sales, liquidations

At the end of December 2013, the Group wound up its Italian subsidiary SDR Sicilia.

Note 4 Explanatory notes to the financial statements

4.1 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 transport. The Group's international business is developed through local transport 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 shown operating profit or loss.

4.1.1 Information by segment

2014	Transport	Logistics	International	Maritime	Others	Consolidated data
Turnover from activities	1,218,776	485,910	553,042	112,209	395,460	2,765,397
Profit (loss) from recurring operations	**47,703**	**18,246**	**27,131**	**5,627**	**(5,348)**	**93,360**
Other operating income and expenses	2,347	163	1,638	(608)	5,047	8,587
Operating profit (loss) of activities	**50,051**	**18,409**	**28,769**	**5,019**	**(301)**	**101,947**
Net financial expenses	(3,021)	(2,107)	(3,640)	(6,413)	592	(14,589)
Income tax(16,532)	(7,231)	(7,045)	(72)	7,954	(22,925)	
Profit attributable to shareholders of associated companies	0	173	526	0	1,749	2,448
Net income						**66,881**

2014	Transport	Logistics	International	Maritime	Others	Consolidated data
Activities' assets	700,464	411,374	459,597	161,429	116,699	1,849,563
Unallocated assets						-
Total assets						**1,849,563**
of which goodwill	85,754	1,216	35,619	8,128	1,542	132,259
of which non-current assets held for sale						0
of which associated companies	0	4,061	2,896	0	9,353	16,310
Activities' liabilities	412,905	168,121	198,696	23,927	38,955	842,604
Unallocated liabilities and equity						1,006,959
Total liabilities						**1,849,563**
Depreciation, amortisation and impairment recorded in the financial year	29,363	19,491	18,549	10,374	12,800	90,576

2013	Transport	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

The "Other" sector mainly comprises trading for the foodservices business (out-of-home catering). This trading activity, which does not generate a profit, is not representative of the added-value that the Group offers to its customers and is not therefore a specific sector in this regard.

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.

4.1.2 Information by geographical area

2014	France	Other regions	Consolidated data
Turnover	2,161,743	603,654	2,765,397
Areas' non-current assets	856,375	292,213	1,148,588

2013	France	Other regions	Consolidated data
Turnover	2,064,084	569,044	2,633,128
Areas' non-current assets	825,964	274,204	1,100,168

4.2 Purchases from third parties

	2014	2013
Purchases other than energy (including catering goods)	403,052	390,457
Purchases of diesel and other fuels	140,206	142,479
Purchases of other energy	44,647	42,461
Subcontracting	781,281	743,513
Rent and lease expenses	82,095	78,663
Maintenance	70,304	66,019
External staff and intermediaries' wages and salaries	145,668	141,162
Insurance and losses	52,251	45,859
External services and miscellaneous	70,131	65,651
Total	**1,789,634**	**1,716,264**

Subcontracting mainly includes chartering and traction expenses linked to transport activities.

In 2014, purchases from third parties consisted of the full-year effect of the EBREX business incorporated in the 4th quarter 2013 and the impact of SPEKSNIJDER over 4 months.

4.3 Payroll expenses

	2014	2013
Salaries and other compensation	506,174	468,298
Social security contributions	206,520	197,340
Net length-of-service awards payable to staff on retirement	1,120	4,173
Employee incentive bonuses and profit-sharing	17,226	18,823
Total	**731,040**	**688,634**

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 €18.5 million in 2014 (€11.7 million in 2013).

4.4 Charges net of reversals to provisions

	2014	2013
Depreciations of inventories	(11)	22
Depreciations of trade accounts receivable	1,051	(299)
Impairment of other financial assets	(1,521)	(451)
Net changes in provisions	1,165	1,208
Total	**684**	**480**

Changes in provisions are analysed in Note 4.22.

4.5 Other operating income and expenses

	2014	2013
Gains on fixed asset sales	2,877	1,738
Gains or losses on sales of shares	1,817	
Gains on sale of other tangible fixed assets (vehicles and other)	1,339	1,147
Allowances and tax relief	2,583	6,983
Miscellaneous	(29)	55
Total	**8,587**	**9,923**

The net capital real estate gains or losses in 2014 include in particular the sale of the real estate site of Bruges (Gironde) for €2.8 million.

In 2013, "Allowances and tax relief" were mainly comprised of an insurance payment on a real estate claim.

4.6 Financial income and expenses

	2014	2013
Financial income		
Net income from assets held for sale	709	810
Dividends received from assets held for sale	99	9
Financial expenses		
Interest expenses on financial liabilities measured at amortised cost	(15,397)	(14,565)
Ineffective portion of hedging instruments		
Net financial expenses	**(14,589)**	**(13,746)**

The Group's debt is mainly floating rate debt (see Note 4.24). The financial income benefited from lower rates (Euribor 3M at 0.21% on average in 2014 compared with 0.22% in 2013) despite the increased debt.

4.7 Income tax expense

Breakdown of the income tax expense in the income statement:

	2014	2013
Current tax expense:		
•• Tax of 3% on dividends	(583)	(560)
•• Others	(20,697)	(21,469)
Total current tax expense	(21,280)	(22,029)
Deferred tax expense/income	(1,645)	(3,200)
Total Income tax expense	**(22,925)**	**(25,229)**

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

	2014	2013
Profit before tax	**87,358**	**83,631**
Theoretical tax at the rate of (current tax):	38.00%	38.00%
	(33,196)	(31,780)
Income from CICE not subject to tax	7,030	4,471
Impact of the profits from the maritime business subject to tonnage tax	1,297	(142)
Fiscal effect of the financing of the Piana	1,613	3,533
Losses not giving rise to deferred tax assets	(422)	(849)
Difference in foreign tax rates	1,928	1,091
Impact of the share of costs and expenses on dividends	(982)	(969)
Tax of 3% on dividends	(583)	(560)
Other permanent differences	390	(25)
Effective tax	**(22,925)**	**(25,229)**
Effective rate of tax	**26.24%**	**30.17%**

4.8 EBITDA

	2014	2013
Operating profit	101,947	97,377
Net Depreciation/amortisation	90,576	83,684
Net impairment and provisions	(684)	(480)
Total EBITDA	**191,839**	**180,581**

4.9 Goodwill

	31 December 2014	31 December 2013
Net value at 1 January	131,561	111,175
Acquisition of subsidiaries and businesses	698	20,386
Sale of subsidiaries		-
Impairment		
Net value at 31 December	**132,259**	**131,561**

In 2014, the acquisitions of subsidiary and businesses comprised of:

•• the provisional goodwill released on the acquisition of SPEKSNIJDER for €1.8 million;

•• less the additional price of €1.25 million not paid by the Group on the EBREX shares.

Impairment tests were performed at the 2014 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:

	Transport	Logistics	International	Maritime
•• Discount rate	8.1%	8.1%	8.1%	8.1%
•• Long-term growth rate	1.5%	2.3%	2.4%	-

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

(in €K)	Transport	Logistics	International	Maritime	Other	Total
Goodwill and intangible assets with an indeterminate useful life	102,650	2,455	36,902	8,386	9,361	159,754

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:

•• Transport	1.5%	to	0.5%
•• Logistics	2.3%	to	1.3%
•• International	2.4%	to	1.4%
The discount rate (WACC) varies from	8.1%	to	9.1%

The discount rate that would give recoverable values equal to the net book values is 18.15%.

Test results (in €M) 31/12/2014	Margin of resistance to change in rates: of growth (fall of 1 pt)	of discounts (rise of 1 pt)
Transport	544	516
Logistics	234	220
Maritime	118	117
International	304	287
Total	**1,200**	**1,140**

4.10 Intangible fixed assets

Gross values	Software	Other intangible fixed assets	Total
At 1 January 2013	**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**
Acquisitions	7,258	1,376	8,634
Changes in scope	(117)	409	292
Other changes	(1,573)	620	(953)
Sales and scrapped goods	(547)	(233)	(780)
At 31 December 2014	**112,031**	**23,391**	**135,422**

Depreciation, amortisation and impairment	Software	Other intangible fixed assets	Total
At 1 January 2013	**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**
Allocations	7,433	119	7,552
Changes in scope	(117)		(117)
Other movements	(609)	(124)	(733)
Reversals and sales	(538)	(56)	(594)
At 31 December 2014	**96,403**	**11,524**	**107,927**
Net book value at 31 December 2013	**16,776**	**9,634**	**26,410**
Net book value at 31 December 2014	**15,628**	**11,867**	**27,495**

4.11 Tangible fixed assets

Gross values	Land and buildings	Equipment for transport	Vessels	Other	Total
At 1 January 2013	**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**
Acquisitions	39,835	12,585		75,440	127,860
Changes in scope	5,772	6,699		480	12,951
Sales and scrapped goods	(22,156)	(5,097)		(25,300)	(52,553)
Other changes	26,965	21		(23,511)	3,475
At 31 December 2014	**995,259**	**101,476**	**308,545**	**482,624**	**1,887,904**

Depreciation, amortisation and impairment	Land and buildings	Equipment for transport	Vessels	Other	Total
At 1 January 2013	**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**
Increases	33,515	7,198	9,996	32,324	83,033
Changes in scope	(471)	3,778		147	3,454
Sales and scrapped goods	(16,194)	(4,360)		(22,873)	(43,427)
Other changes	2,620	21		690	3,331
At 31 December 2014	**396,805**	**77,606**	**201,640**	**299,909**	**975,960**
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**
Net book value at 31 December 2014	**598,454**	**23,870**	**106,905**	**182,715**	**911,944**
•• non-current assets held for sale					0
•• non-current assets	**598,454**	**23,870**	**106,905**	**182,715**	**911,944**

At 31 December 2013, the item "Value of non-current assets held for sale" included the Sablé site for which the final deed of sale was signed in March 2014.

In 2014, the changes in scope were primarily due to fixed assets from the acquisition of the SPEKSNIJDER companies.

In addition, the net book values given include fixed assets under construction for the amount of €32,908 thousand (compared with €32,134 thousand at 31 December 2013).

Firm orders for tangible fixed assets at 31 December 2014, not yet executed, amounted to €37,408 thousand (compared with €37,611 thousand at 31 December 2013).

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

	31 December 2014	31 December 2013
•• Vehicles	4,177	3,750
•• Technical installations	2,422	4,311
•• Platforms and warehouses	107,303	114,587
•• Attached land	33,048	32,953
Total	**146,950**	**155,601**

4.12 Non-current financial assets

	31 December 2014	31 December 2013
Non-consolidated shareholdings	6,813	4,031
Loans and receivables	20,167	19,370
Other non-current financial assets	5,616	11,005
Total	**32,596**	**34,406**

Loans and receivables mainly comprise loans paid under the employers' contribution to construction investments for the amount of €14,248 thousand in 2014 (€14,313 thousand in 2013). 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.

4.13 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:

2014	Group share	Total turnover	Total assets	Total liabilities	Net assets of the Company	Group's share in turnover of equity-accounted associates	Net income	Profit attributable to group
Brigantine de Navigation[1]	100.00%		8	3	5	5	(3)	(3)
Froid Combi	25.50%	16,284	5,665	4,255	1,410	360	(141)	(36)
GEFA	34.02%	2,930	6,936	1,539	5,397	4,061	509	173
Messageries Laitières	38.69%	70,199	39,867	24,611	15,256	7,232	2,887	1,117
Olano SEAFOOD Ibérica	32.00%	25,915	10,958	6,174	4,784	1,877	1,481	474
Olano Valencia	20.00%			(1,206)	1,206	662	95	19
SDR SUD	20.00%			(1,784)	1,784	357	170	34
STEFOVER Tunisie	49.00%	223		(246)	246	178	18	9
Groupe PRIMEVER	33.33%	73,194	40,074	35,334	4,740	1,580	1,983	661
Total		**188,745**	**103,508**	**68,680**	**34,828**	**16,310**	**6,999**	**2,448**

(1) Company with no business or in administration.

2013	Group share	Total turnover	Total assets	Total liabilities	Net assets of the company	Group's share in turnover of equity-accounted associates	Net income	Profit 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 Ibérica	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
Groupe PRIMEVER	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

The Group is not a stakeholder in any joint venture.

4.14 Deferred tax assets and liabilities

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

2014	1 January 2014	Changes in profit and loss	Other changes	Changes in net comprehensive income	31 December 2014
Deferred tax assets					
Net deferred tax from parent company accounts	942	(269)	60		733
Temporary tax differences	5,415	(701)	(7)		4,707
Discounting of loans to construction	2,124	697			2,821
IAS 19 R actuarial gains	2,759		9	(239)	2,529
Fair value of hedging instruments	3,276	(48)	24	2,735	5,987
Loss carryforwards	4,879	(765)			4,114
Capitalised internal services	1,856	342			2,198
Internal profit	481	54			535
Exercise of finance leases	4,410	(238)			4,172
Leaseback	82	(21)	(2)		59
Pension provisions	983	(652)			331
Other	203	(334)	(71)		(202)
Total deferred tax assets	**27,410**	**(1,935)**	**13**	**2,496**	**27,984**
Deferred tax liabilities					
Additional depreciation	(14,968)	(2,103)			(17,071)
Difference in tangible fixed assets depreciation	(797)	291	(6)		(512)
Fixed assets held under finance leases	(19,336)	1,044	116		(18,176)
Revaluation of fixed assets	(7,301)	948	(100)		(6,453)
Treasury share transactions	37	(76)			(39)
OBSAARs	47				47
Merger tax	(2,995)	292	17		(2,686)
Unrealised foreign exchange gains (losses)	15	185		(170)	30
Other	70				70
Total deferred tax liabilities	**(45,228)**	**581**	**27**	**(170)**	**(44,790)**
Net impact	**(17,818)**	**(1,354)**	**40**	**2,326**	**(16,806)**

2013	1 January 2013	Changes in profit and loss	Other changes	Changes in net comprehensive income	31 December 2013
Deferred tax assets					
Net deferred tax 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
Other	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
Other	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)**

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 €40 million at the end of 2014, €26 million of which in France and €10 million in Italy. In 2013, these loss carryforwards represented €46 million including €26 million in France and €13 million in Italy.

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

2014	France	Belgium	Spain	Italy	Portugal	Group total
Deferred tax	(17,437)	(1,131)	653	970	139	(16,806)

2013	France	Belgium	Spain	Italy	Portugal	Group total
Deferred tax	(19,008)	(1,051)	988	920	333	(17,818)

4.15 Inventories

	31 December 2014	31 December 2013
Raw materials and supplies	17,805	16,356
Foodservice goods	22,757	24,532
Other	629	420
Total	41,191	41,308
Impairment	(39)	(28)
Net cost of inventories	**41,152**	**41,280**

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

4.16 Customers

	31 December 2014	31 December 2013
Gross amount of trade receivables	450,177	438,190
Impairment	(12,380)	(13,469)
Net	**437,797**	**424,721**

Changes in depreciation in the trade receivables recognised in the income statement for 2014 and 2013 are referred to in Note 4.4. There are no significant trade receivables in the sense of IFRS 8.

4.17 Cash and cash equivalents

	31 December 2014	31 December 2013
Marketable securities and investments	318	14,556
Cash assets	45,934	39,002
Total cash and cash equivalents	**46,252**	**53,558**

4.18 Equity

The number of shares comprising the share capital is 13,515,649 shares with a nominal value of €1 at 31 December 2014. This is unchanged compared to 31 December 2013.

The Board of Directors meeting on 19 March 2015 set the dividend to be paid for the 2014 financial year at €1.70 per share (€1.50 for the 2013 financial year). This dividend is not recognised in the 2014 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.

4.19 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:

	2014 financial year	2013 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	564,041	660,290
Purchase of shares during the period	832,539	142,509
•• Delivery of treasury shares following the exercise of stock options, cancellation and sale of shares	(209,464)	(238,758)
Number of treasury shares at the end of the financial year (c)	1,187,116	564,041
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)	**12,328,533**	**12,951,608**
Number of BSAARs	19,719	19,905
Weighting		(19,905)
Weighted average number of shares used for calculating the diluted earnings per share	12,348,252	12,951,608
Group share of income in thousands of €	**65,075**	**60,223**
Earnings per share in euros:		
•• non-diluted	5.28	4.65
•• diluted	5.27	4.65

4.20 Financial liabilities

	31 December 2014	31 December 2013
Non-current financial liabilities		
Bank borrowings and drawdowns of confirmed lines of credit of more than one year	345,498	314,110
Liabilities associated with finance leases	54,149	63,016
Fair value of financial derivatives	14,057	7,885
Total non-current debts	**413,704**	**385,011**
Current financial liabilities		
Portion at less than one year of:		
•• Bond issue	-	264
•• Bank loans and spot lines of credit	95,473	61,759
•• Liabilities associated with finance leases	11,750	12,927
•• Miscellaneous financial liabilities	2,910	2,538
Accrued interest not yet due	1,015	1,888
Fair value of financial derivatives	5,043	4,060
Bank overdrafts and short-term loans	30,871	45,830
Total current debts	**147,062**	**129,266**
Total financial liabilities	**560,766**	**514,277**

The Group mainly used bank loans to finance these real estate investments.

The characteristics of the bank loans and credit lines are presented in note 4.24.

The maturities of financial liabilities at 31 December 2014 and 31 December 2013 are shown below:

	Total	Less than one year	Maturities of more than one and less than 5 years	More than 5 years
Bond issue				
Bank loans and credit line drawdowns	460,072	100,517	262,835	96,720
Finance leases	65,899	11,750	40,010	14,139
Bank overdrafts	30,871	30,871		
Miscellaneous financial liabilities	3,924	3,924		
	560,766	**147,062**	**302,845**	**110,859**

2013	Total	Less than one year	Maturities of more than one and less than 5 years	More than 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**

The Group's exposure to exchange rate, interest rate and liquidity risk due to its financial liabilities is analysed in Note 4.24.

4.21 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 2014	31 December 2013
Length-of-service awards payable on retirement		
•• Actuarial liability	46,073	47,202
•• Hedge assets	(28,252)	(27,692)
subtotal Length-of-service awards payable on retirement	17,821	19,510
Long-service awards	9,154	10,023
Total	**26,975**	**29,533**

Change in net values reported in the balance sheet is as follows:

	31 December 2014	31 December 2013
Amount at 1 January	19,510	16,903
Expenses for the year (see below)	1,120	4,173
Business combinations		2,939
Change in actuarial gains	(25)	(1,509)
(Premiums paid) / payments received from insurance companies	269	128
Benefits paid	(3,052)	(3,124)
Amount at 31 December	**17,821**	**19,510**

Change in actuarial liability

	31 December 2014	31 December 2013
Amount at 1 January	**47,202**	**43,912**
Projected actuarial liability at 31 December	47,361	48,336
Plan amendment Cold storage	(2,091)	
Actuarial gains related to:		
•• Demographic assumptions	0	(1,845)
•• Financial assumptions	1,101	(1,166)
•• Experience adjustments	(298)	1,877
Amount at 31 December	**46,073**	**47,202**

The payment schedule for theoretical benefits is as follows:

Years	2015	2016	2017	2018	2019
Payment of theoretical benefits	2,067	985	1,893	1,919	1,949

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 2012	**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**
Financial income for 2014	829
Repayments on services received of funds	(269)
Fair value of ring-fenced assets at 31 December 2014	**28,252**

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 2014	31 December 2013
Discount rate	1.75%	3.00%
Forecast rate of increase of workforce	2 or 2.5%	3 or 3.5%
Forecast rate of return of ring-fenced funds	3%	3%
Retirement age	58 – 62 years of age	58 – 62 years of age

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.

4.22 Provisions

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

	31 December 2014	31 December 2013
Length-of-service awards payable on retirement (cf note 4.21)	17,821	19,510
Long-service awards	9,154	10,023
Dispute provisions	12,764	12,606
Other provisions	5,924	6,406
Total	**45,663**	**48,545**

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

	Long service awards	Disputes	Other	Total
At 1 January 2014	**10,023**	**12,606**	**6,406**	**29,035**
Changes in scope			878	878
Other changes		(635)	632	(3)
Allocations	2,759	10,935	2,541	16,235
Reversals	(3,628)	(10,142)	(4,533)	(18,303)
At 31 December 2014	**9,154**	**12,764**	**5,924**	**27,842**
Non-current	9,154	2,966	2,925	15,045
Current		9,798	2,999	12,797
At 31 December 2014	**9,154**	**12,764**	**5,924**	**27,842**
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**

The provision for disputes covers, for the current portion of the income statement, the costs incurred from loss or damage occurring during transport, 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.

4.23 Dilutive instruments

	31 December 2014	31 December 2013
Number of options existing at the beginning of the financial year	**19,905**	**902,130**
Options exercised in the year		
BSAAR options exercised in the year	(186)	(2)
Options exercised under the repurchase offer of 11/2013		(882,223)
Options attributed in the year		
Number of options existing at the end of the financial year	**19,719**	**19,905**

4.24 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

Currently, the Group's consolidated debt is, mostly, fixed rate debt.
The structure of the financial debt by rate type, after taking account of the hedging instruments in place, is as follows:

	2014		2013	
	Fixed rates	Floating rates	Fixed rates	Floating rates
Bond issues	-	-	264	
Bank loans	288,840	152,132	185,107	190,761
Liabilities associated with finance leases	40,500	25,398	35,938	40,005
Miscellaneous financial liabilities	3,925	19,100	4,427	11,945
Bank overdrafts and short-term loans	-	30,871		45,830
Total financial liabilities net of hedges	**333,265**	**227,501**	**225,736**	**288,541**

The Group's objective in terms of interest rate risk management is to use micro-hedging as and when new real-estate financing contracts are signed while actively monitoring the change in interest rates in order to hedge the Group's other financing, when the market conditions are favourable. This hedging policy by the Group should 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, 5 new interest rate swaps representing an amount of approximately €115 million were added to the 20 interest rate swaps contracted between 2009 and 2013, totalling a hedged notional amount of €260 million at 31 December 2014. In 2014, the Group took advantage of the fall in interest rates in order to convert part of the fixed rate debt by contracting to two swaps with regard to medium-term credit lines for a notional principal amount of €80 million over a three-year term. Other interest rate swaps were 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, two new interest rate swaps representing an amount of €6 million were contracted during the 2014 financial year in order to cover part of the lease debt. Furthermore, an interest rate swap hedges the financing of the Torrejon platform for a notional principal amount of €9 million over a residual period of 6 years.

In Italy, the subsidiary STEF ITALIA contracted an interest rate swap to hedge the Tavazzano platform for a notional principal amount of €9 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 approximately €4 million; the end of the contract is in 2024.

In the Netherlands, the subsidiary SPEKSNIJDER, acquired in 2014 contracted an interest rate swap for a notional principal amount of €1 million, the end of the contract is in 2020.

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 Rise of 50 bps	 Fall of 50 bps	Impact on comprehensive income Rise of 50 bps	 Fall of 50 bps
Variable rate interest charges on assets/liabilities	1,042	(1,042)		
Change in fair value of derivatives			5,673	(5,873)
Net impact	**1,042**	**(1,042)**	**5,673**	**(5,873)**

Balance sheet exposure to rate risk at 31 December 2014

	Current Fixed rates	 Floating rates	Non-current Fixed rates	 Floating rates
Interest bearing financial liabilities*		30,871	93,898	416,898
Other financial assets		0	(25,783)	(6,813)
Cash and cash equivalents		(46,252)	-	-
Net exposure before taking account of derivatives	**-**	**(15,381)**	**68,115**	**410,085**
Derivatives	-	-	288,453	(288,453)
Net exposure after taking account of derivatives	**-**	**(15,381)**	**356,568**	**121,632**

* Excluding market value of derivatives

Exchange rate risk

The Group's activities are essentially based in the Eurozone (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 2014, STEF had 23 confirmed medium-term credit lines, totalling €298 million. At 31 December 2014, up to €183 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 €23 million were used at 31 December 2014 and overdraft agreements, with no agreed expiry dates, totalling €90 million, of which €31 million was used at 31 December 2014. 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 2014, 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:

	2014 Book value	Contractual cash flows	Terms of contractual cash flows Less than one year	 More than one and less than 5 years	 More than five years
Bank loans	440,972	441,044	93,875	252,991	94,178
Finance leases	65,899	65,965	11,816	40,010	14,139
Bank overdrafts	30,871	30,871	30,871	-	-
Derivative financial liabilities	19,100	19,972	5,044	12,386	2,542
Miscellaneous financial liabilities	3,924	3,924	3,924	-	-
Sub-total of financial liabilities	560,766	561,776	145,530	305,387	110,859
Trade accounts payable	422,006	422,006	422,006		
Other current liabilities	335,770	335,770	335,770		
Total	**1,318,542**	**1,319,552**	**903,306**	**305,387**	**110,859**

	2013 Book value	Contractual cash flows	Terms of contractual cash flows Less than one year	 More than one and less than 5 years	 More than five 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**

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.

Information on the fair value of financial instruments by category

	Value on balance sheet 31/12/2014	Fair value through the income statement	Assets available for sale	Loans and receivables	Assets not qualified as financial
Unconsolidated equity instruments	120		120		
Other non-current financial assets	13,992			13,992	
Loans and receivables from financial activities	14,248			14,248	
Marketable securities	4,236		4,236		
Sub-total: non-current financial assets	32,596	-	4,356	28,240	-
Customers	437,797			437,797	
Other accounts receivable	175,774			175,774	
Cash and cash equivalents	46,252	46,252			
Assets	**692,419**	**46,252**	**4,356**	**641,811**	**-**

	Value on balance sheet 31/12/2014	Fair value through the income statement	Debts measured at amortised cost	Derivatives qualified as hedges	Liabilities not qualified as financial
Non-current financial liabilities	19,100			19,100	
Debts from financial activities	510,795		444,896		65,899
Current financial liabilities	30,871		30,871		
Sub-total: Financial liabilities	**560,766**	**-**	**475,767**	**19,100**	**65,899**
Trade accounts payable	422,006		422,006		
Other accounts payable	335,770		335,770		
Liabilities	**1,318,542**	**-**	**1,233,543**	**19,100**	**65,899**

	Value on balance sheet 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**	**-**

	Value on balance sheet 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**

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 2014

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		4,356	
Cash and cash equivalents		46,252	
Assets	**-**	**50,608**	
Derivatives		19,100	
Liabilities		**19,100**	

Derivatives portfolio at 31 December 2014

	Fair value	On assets	On liabilities	Effective portion recorded in Net Comprehensive Income for the period	Nominal hedged	Maturity	Reference rate
Swaps	(19,100)	0	(19,100)	(7,061)	288,454	26 June	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.

4.25 Operating leases

Rents reported under operating leases on real estate, transport equipment and other equipment increased in 2014 to €81,813 thousand (€77,952 thousand in 2013).

4.26 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 84.01% 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:

	2014	
Salaries and wages	1,620,675	2,196,847
Directors' attendance fees	111,028	111,031
Total	**1,731,703**	**2,307,878**
Short-term benefits	1,395,501	2,307,878
Post-employment benefits	336,202	None
Long-term benefits	None	None
Retirement 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 2014 Customers	Trade accounts payable	Long-term loans	Current account	Transactions for the year Sales of goods or services	Purchases of goods or services
Brigantine de Navigation[1]				4		
Transcosatal	155	(103)			1,276	(20)
Froid Combi						
Messageries Laitières	3,435	(12)	2,457	2,253	27,539	(69)
Olano Seafood Ibérica						
Olano Valencia	26					
Stefover Tunisie					4	

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

(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 2014 and 2013 between the Group and the shareholding structures of managers and senior executives and employee investment funds.

4.27 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.

4.28 Statutory auditor's fees

(in €K)	Mazars Amounts 2014	Mazars Amounts 2013	Mazars % 2014	Mazars % 2013	KPMG Amounts 2014	KPMG Amounts 2013	KPMG % 2014	KPMG % 2013
Audit								
I) Statutory auditors, certification, review of individual and consolidated financial statements	819	905	96%	97%	734	800	100%	100%
a) Issuer	103	129	12%	14%	148	156	20%	19%
b) Fully consolidated subsidiaries	716	776	84%	83%	586	644	80%	81%
II) Other procedures and services directly related to the duties of the statutory auditor	37	25	4%	3%			0%	0%
a) Issuer	21		2%	0%			0%	0%
b) Fully consolidated subsidiaries	16	25	2%	3%			0%	0%
Sub-total	856	930	100%	100%	734	800	100%	100%
Other services								
Other services provided by the networks to the fully consolidated subsidiaries								
a) Legal, fiscal, social								
b) Others								
Sub-total	0	0	0%	0%	0	0	0%	0%
Total	**856**	**930**	**100%**	**100%**	**734**	**800**	**100%**	**100%**

Fees for other firms amounted to €124 thousand for 2014.

4.29 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 2014 and 31 December 2013, there was no litigation or dispute likely to have a significant impact on the Group's financial situation and future results.

4.30 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 Transport Office (OTC).

Under the previous public service concession agreement which ended on 31 December 2013, there is a receivable of €15.2 million to the Corsican Transport Office for fuel surcharges. The Group believes that this receivable is legally sound.

A new agreement signed on 24 September 2013 came into effect on 1 January 2014 for a term of 10 years. It authorises CMN to operate three ro-ro mixed passenger and cargo vessels ensure the operation of three mixed roll-on cargo under the territorial continuity principle.

4.31 Events subsequent to year-end closing

By a Board of Directors' decision on 28 January 2015, the Group cancelled 350,000 treasury shares bringing the share capital to 13,165,649 shares of a nominal value of 1 euro each.

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:

	Percentage of control	
Fully consolidated companies	31 December 2014	31 December 2013
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 (16% owned by STEF Logistique)	95%	79%
STEF Nederland (Netherlands)	100%	100%
Speksnijder Transport BV and its subsidiaries:	100%	-
Speksnijder Bodegraven	100%	-
Speksnijder DHZ BV	100%	-
STEF Switzerland	99%	99%
Immostef and its subsidiaries:	100%	100%
Frigaurice	100%	100%
SCI BV 18	100%	100%
SCI des Vallions	100%	100%
SCI Actixia (renamed SCI Fresh 5)	100%	100%
SCI Actibrex (renamed SCI Fresh 7)	100%	100%
SCI Immo	100%	100%
SCI Immotrans 42	100%	100%
SCI PPI 45	100%	100%

Fully consolidated companies	Percentage of control 31 December 2014	31 December 2013
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%
SNC de la Vesvroise	100%	100%
SNC Donzenac Entrepôts	100%	100%
SNC Donzenac la Maleyrie	100%	100%
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%
SNC Louverne Les Guicherons	100%	100%
SNC Mâcon Est Replonges	100%	100%
SNC Mions La Perrinière (Guilberville)	100%	100%
SNC Perpignan Canal Royal	-	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%

Fully consolidated companies	Percentage of control 31 December 2014	31 December 2013
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	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 Tigery	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 Montbartier	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%
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%

Fully consolidated companies	Percentage of control 31 December 2014	31 December 2013
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%
STEF Transport Montsoult	100%	100%
STEF TSA Rhône Alpes	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 Transport and its subsidiaries:	100%	100%
Dispack	100%	100%
Ebrex France and its subsidiary:	100%	100%
Ebrex Logistique (renamed STEF Logistique Salon de Provence)	100%	100%
Immotrans 35	100%	100%
Seagull Transport Ltd (United Kingdom)	-	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 Transport Agen	100%	100%

Fully consolidated companies	Percentage of control 31 December 2014	31 December 2013
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%
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 Rheu	100%	100%
STEF Transport Lesquin	100%	100%
STEF Transport Lille	100%	100%
STEF Transport Limited (United Kingdom)	-	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%

Fully consolidated companies	Percentage of control 31 December 2014	31 December 2013
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%
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%
Tradimar Bordeaux	100%	100%
Transport Frigorifique de Normandie	100%	100%
Transports Frigorifiques des Alpes (TFA)	100%	100%

Fully consolidated companies	Percentage of control 31 December 2014	31 December 2013
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%
Immostef Italia (49% owned by Immostef France)	100%	100%
STEF Italia SpA and its subsidiaries:	100%	100%
Calabria Dist Log	46%	46%
SLF Sicilia	97%	97%
STEF Trento	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 2014	31 December 2013
Shareholding of STEF SA:		
Société Brigantine de Navigation[1]	100%	100%
Shareholding 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%
Shareholding of STEF Logistique:		
GEFA	34%	34%
Shareholding 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 2014

Shareholders,

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we hereby present our report for the year ended 31 December 2014, 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.

1. 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 as at 31 December 2012, 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.

2. 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.

3. 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, 21 April 2015
The Statutory Auditors

KPMG Audit IS	MAZARS
Benoît Lebrun Associé	Olivier Thireau Associé

Annual accounts

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 €14.3 million, compared with €11.9 million in 2013 due to the increase in real-estate rental income. Income attributable to third parties, reversals of impairment and other income accounted for €36.9 million, compared with €32.3 million for 2013. This mainly comprises Group expenses billed to the Group's subsidiaries.

Financial income, mainly comprising revenue from shareholdings amounted to €34.1 million, compared with €37.1 million in 2013. The change in financial income over the financial year is primarily explained by the impairment reversals in equity investments in 2013. Related interest, financial income and expenses represented a net expense of €4.4 million, compared with €2.9 million in 2013. This change is explained by an increase in the amount of medium-term loan interest.

Financial expenses include a provision of €5 million for a financial commitment related to the financing of the Piana vessel. Overall, the reduction in net financial income was €3.5 million.

Exceptional items amounted to €0.1 million, compared with a net expense of €3 million in 2013. 2013 was marked by a 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 2014, the Company posted a tax saving of €7.2 million (STEF is the parent of the tax group), compared with €6.2 million for 2013. 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, which is almost unchanged compared with 2013.

Proposed appropriation

Net profit for the year......................€29,522,304
Retained earnings €59,052,792

giving a total amount available
for distribution of €88,575,096

Proposed appropriation:
Payment of a dividend of €1.70 per share,
which is a total theoretical
dividend payment of €22,381,603
Retained earnings of €66,193,493

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 28 May 2015.

Dividends paid out in respect of the past three financial years

Financial year	Number of shares	Dividend paid per share (a)
2011	13,515,649	1.38
2012	13,515,649	1.45
2013	13,515,649	1.50

(a) Payment fully eligible for 40% tax allowance

Annual accounts

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

The centralised cash management agreements between STEF and its subsidiaries were reclassified as current by the Board of Directors in 2014 for two reasons:
- the procedure for the regulated agreements is no longer applicable to agreements concluded between two companies where one owns the entire share capital of the other;
- the services that are subject to these agreements, fall within the normal conduct of the Group's business.

Previous agreements were reviewed by the Board of Directors in accordance with the law.

Research and development

In 2014, innovative projects represented a budget of €150 thousand. 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; see chapter on sustainable development) and the development of the Group's central information system.

STEF trade accounts schedule by due date (in €)

		Due date			
Balance of Trade Accounts Payable	Total	Due	Between 1 and 31 days	Between 32 and 61 days	Beyond
31.12.2014	6,822,965	2,668,139	3,664,026	490,800	0
31.12.2013	12,429,459	5,261,652	6,949,144	218,663	0

Internal control

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.

It also describes the principles and rules laid down by the Board of Directors to determine the remuneration and benefits paid to company officers.

I. Principles of Governance

Separation of the positions of chairman and chief executive officer

The positions of Chairman and Chief Executive Officer have been separated 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 is the Chairman of the Board of Directors. He organises and supervises the Board of Directors' work, an account of which is then provided to the Shareholders' Meeting.

Mr Jean-Pierre Sancier holds the position 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.

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

- Mr Serge Capitaine, in charge of sales and marketing;
- 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 the 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 real estate 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 16 members, one representing employee shareholders and since January 2015, two members representing employees in accordance with the French Law on Safeguarding Employment of 14 June 2013. The Company's articles of association have been amended in order to establish the

Internal control

Chairman's report on the Board of Directors' activities and internal control

arrangements for appointing directors representing employees within the Board of Directors. The appointment of the first director representing employees was made by STEF's staff representative body. The second director was appointed by the European Works Council.

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

In 2013, the Board of Directors opted for the Middlenext code, instead and in place of the Afep-Medef code, given that 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.

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 Ducottet, Mrs Lemoine and Messrs Bouthillier, Bréau, Giuily and Hau.

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. 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 includes three female directors, the Company therefore complies with the requirements of Article L. 255-17, paragraph 2 of the French Commercial Code on balanced representation of women and men on the Board of Directors (minimum percentage of directors of each gender of 20% from 2014). In accordance with the law, directors representing employees are not taken into account when determining this percentage (Art. L. 225-17, paragraph 2 of the French Commercial Code.

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

Internal control

Chairman's report on the Board of Directors' activities and internal control

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 2014 was steady (88.5%).

2. Board of directors' activities

The Board of Directors met five times in 2014.

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.

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 Bernard Jolivet and Mr Dominique Nouvellet. Mr Emmanuel 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.

The Audit Committee generally meets three times a year, 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

Internal control

Chairman's report on the Board of Directors' activities and internal control

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. The Remuneration Committee for company officers

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.

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 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.

Internal control

Chairman's report on the Board of Directors' activities and internal 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 in 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 Transport division brings together all fresh and frozen transport activities in a single network (STEF Transport), the transport of sea products and international flows, 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. The activities of the company EBREX, acquired in late 2013, are fully integrated into the internal control process.

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 transport) 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 players.

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 9 members, it covers and controls all the Group's functions. In addition to the Chief Executive Officer and the 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.

Internal control

Chairman's report on the Board of Directors' activities and internal control

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 Executive Management and the Executive Committee as well as monitoring the budgetary commitments of profit centres attached to each division.

In 2014, the European Activities division changed its organisation, setting up three clusters: Italy-Switzerland / Spain-Portugal and Northern Europe, each managed by an Executive Management member. The creation of common management by cluster fulfils the objective to position the Group's management closer to its areas of activity.

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 or cross-division skills, whether technical (Group Business Unit, Real Estate Technical division, Vehicles Technical division), or support-focused, (Purchasing, Human Resources, Information Systems, Finance, Administration). 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.

Internal control

Chairman's report on the Board of Directors' activities and internal control

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 regarding 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 assesses 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 Executive Management, 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

The managing of IT systems is a major internal control tool for the Group, efficient Group activities depend on quick, reliable data access. Also, they are grouped together within a dedicated entity, STEF Information and Technologies.

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 or functions 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.

Internal control

Chairman's report on the Board of Directors' activities and internal control

External growth operations - Investments

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) to draw up a collective report, which is submitted to Executive Management.

Following an acquisition, an integration committee is responsible for establishing and/or standardising processes and Group organisation modes within the subsidiary.

Any project to install or extend a platform or warehouse is subject to selective arbitration. More generally, the investment programme must be validated by Executive Management and 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 research departments within the Group Business Units 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.

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.

Internal control

Chairman's report on the Board of Directors' activities and internal control

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 trade agreements, the mechanisms for limiting liability are determined by statutory and regulatory provisions specific to the activities of transport and warehouse management (standard contract applicable to the transport 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 through the implementation of procedures and framework agreements.

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, 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. Furthermore, a standardised policy for real-estate risk prevention is deployed, it is based on audits, evaluation tools and following 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.

Internal control

Chairman's report on the Board of Directors' activities and internal control

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.

4. Prevention and internal control

The Internal Audit department works on improving internal control.

In 2014, audits were carried out in accordance with the programme established with the executive management and the Audit Committee. As part of these tasks, the Internal Audit conducted compliance reviews and control operations on the security and performance of business organisations, support functions or Group processes.
The work to implement the proactive risk management which followed the risk mapping, also continued involving business units and functional divisions.

The objective is part of a continuous improvement approach that aims to enhance a reference system for each type of risk, identifying its impact and describing the system set up to prevent it.

The work carried out in collaboration with the operational and functional branches also highlighted that no new major risk had appeared during the 2014 financial year.

The 2015 action plan for the Audit department was approved by the Audit Committee. The work will be shared between audits focusing on Group processes, support functions and business organisations. Alongside the Accounting Division and the Business Units, the Internal Audit will also try to produce a specific fraud risk map.

The Chairman

Statutory auditors' report

On the report of the Chairman of the Board of Directors

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 2014.

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, and

•• 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, 21 April 2015

The Statutory Auditors

KPMG Audit IS	MAZARS
Benoît Lebrun Associé	Olivier Thireau Associé

CONTACTS

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Marie-Line Pesquidoux - Company Secretary

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