ANNUAL
REPORT 2015

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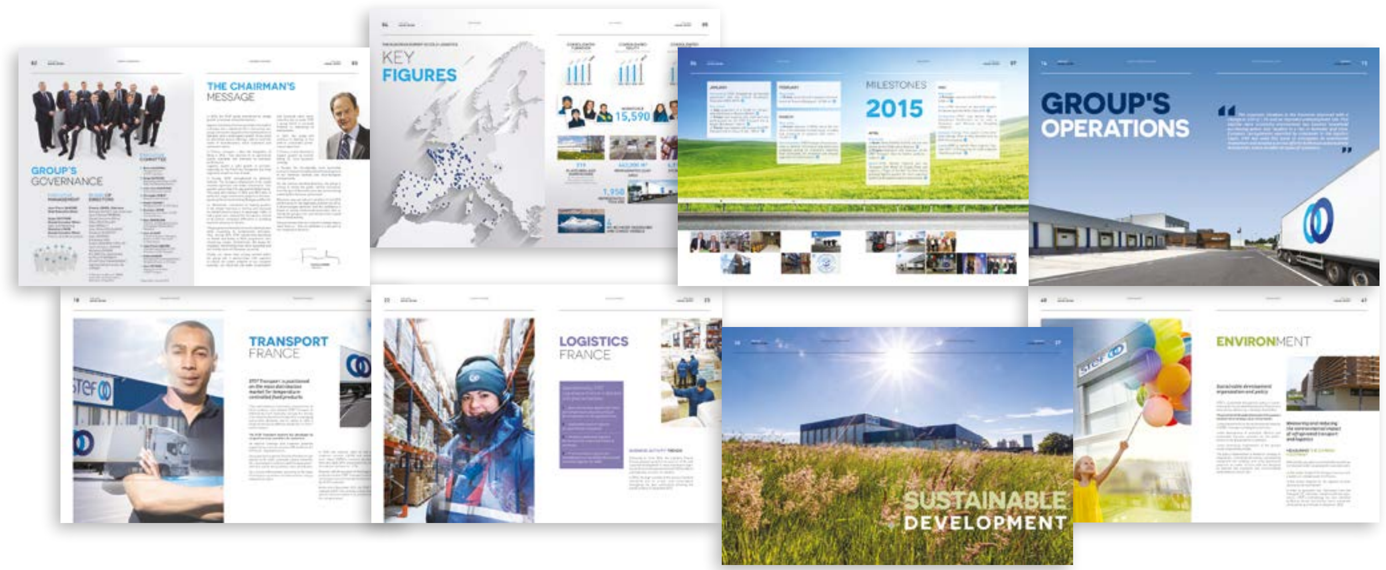

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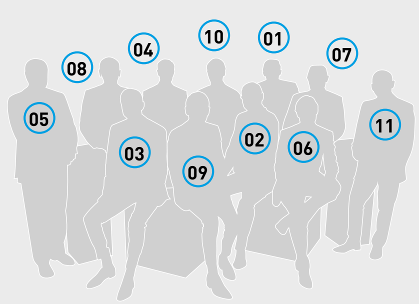
GROUP'S GOVERNANCE

EXECUTIVE MANAGEMENT

Jean-Pierre SANCIER
Chief Executive Officer

Serge CAPITAINE
Deputy Executive Officer
Sales and Marketing
Stanislas LEMOR
Deputy Executive Officer
Finance and Administration



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
Emmanuel HAU
Estelle HENSGEN-STOLLER
Jean-François LAURAIN
Murielle LEMOINE
ALLIANZ Vie, represented
by Peter ETZENBACH
ATLANTIQUE MANAGEMENT,
represented by François de
COSNAC

** The term of office of A. BRÉAU ended after the Shareholders' Meeting on 18 May 2016

EXECUTIVE COMMITTEE

01 **Bertrand BOMPAS**
Managing Director
of STEF Logistique

02 **Serge CAPITAINE**
Deputy Executive Officer of STEF
Sales and Marketing Director

03 **Jean-Yves CHAMEYRAT**
Human Resources Director

04 **Christophe GORIN***
Group Business Director

05 **Angel LECANDA***
Managing Director of STEF Iberia

06 **Stanislas LEMOR**
Deputy Executive Officer of STEF
Financial Director

07 **Marc REVERCHON**
Chairman and Managing Director
of Compagnie Méridionale de
Navigation

08 **Léon de SAHB**
IT Systems Director / Managing
Director of STEF Information
et Technologies

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

10 **Gilles SAUBIER**
Buildings and Purchasing Director /
Managing Director of Immostef

11 **Marc VETTARD***
Deputy Executive Officer
of STEF Transport

* Appointed in January 2016

THE CHAIRMAN'S MESSAGE

In 2015, the STEF group maintained its steady growth in turnover and performances.

Against a backdrop of recovery in food consumption in Europe and a significant fall in fuel prices, our group continued to expand on the markets where it operates, with a solid organic growth. It has relied on diversified service offerings, able to meet the needs of manufacturers, retail customers and restaurant chains.

In France, transport – after the integration of Ebrex in 2014 – has returned to its operational quality standards and improved its economic performance.
Logistics posted a solid growth in turnover, especially on the Fresh and Temperate Dry Food segments as well as that of retail.

In Europe, STEF strengthened its domestic foothold. The European deployment of its model involved significant real estate investments. This was the case in Italy, Portugal and the Netherlands. This work will continue in 2016 and 2017 with, in particular, large construction projects in German-speaking Switzerland and Italy (Bologna and Rome).

La Méridionale maintained its leading position in the freight business in Corsica and improved its market share in terms of passenger traffic. It had a good year, despite the disruptions related to its partner company's difficulties in providing maritime services to Corsica.

The group has achieved this economic development while respecting its fundamental principles. Thus, during 2015, STEF significantly developed its Health and Safety at Work programme, with convincing results. Furthermore, the bases for employee shareholding have been expanded and will shortly cover all European countries.

Finally, our teams have actively worked within the group and in partnerships with suppliers to reduce the carbon footprint of our transport business, our electricity and water consumption and launched other initiatives that aim to make STEF a group which is seriously involved in improving its environment.

In 2016, the group will continue to develop in line with its sustainable performance objectives.

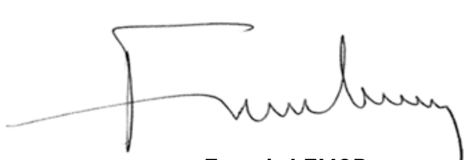
In France, it will intensify its organic growth by consolidating its "core business" strategy.

In Europe, the considerably more favourable economic context should facilitate the development of our domestic facilities and intra-European consignments.

For the Corsica maritime business, the group is aiming to renew the public service concession from the port of Marseille from the concessioning authority (the Corsican authorities).

Whichever way you look at it, whether it's the 2015 performance or the legitimate ambition for 2016, it all encourages optimism. And this confidence is based on strong fundamental principles, that is, mainly the group's men and women who I would like to thank warmly.

Everyone knows that our customers always expect more from us... And our ambition is a key part of this progressive dynamic.

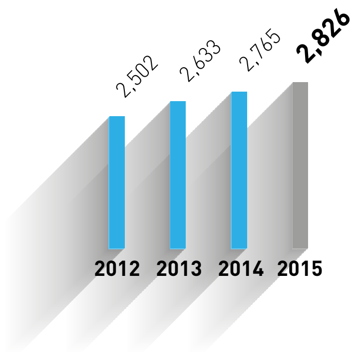


Francis LEMOR,
Chairman

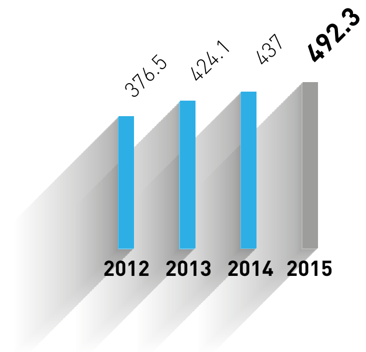
THE EUROPEAN EXPERT IN COLD LOGISTICS

KEY FIGURES

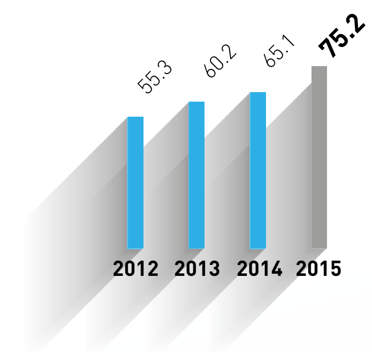
CONSOLIDATED TURNOVER
(in millions of euros)



CONSOLIDATED EQUITY
(group share in millions of euros)



CONSOLIDATED INCOME
(group share in millions of euros)



WORKFORCE
15,590

219
PLATFORMS AND WAREHOUSES
81 Transport France sites
83 Logistics France sites
55 International activities sites

443,000 M²
REFRIGERATED QUAY AREA

6,912,000 M³
STORAGE VOLUME

1,950
REFRIGERATED TRAILERS

1,900
VEHICLES

4
RO-RO MIXED PASSENGER AND CARGO VESSELS

MILESTONES 2015

JANUARY

Partnership: STEF renewed its partnership agreement with the French Handisport Federation (2015-2017). 01

Real estate:

→ **Italy:** acquisition of a 16,400 m^2 refrigerated warehouse in Mairano (Milan). 02

→ **France:** new negative cold room and new packing plant on the STEF Transport site at Bègles (Bordeaux) – 520 m^2. 03

→ **France:** new negative cold room on the STEF Transport site at Lesquin (Lille) – 500 m^2. 04

FEBRUARY

Real estate:

→ **France:** acquisition of a negative cold warehouse at Thenon (Dordogne) - 37,000 m^3. 05

MARCH

Real estate:

→ **France:** takeover of GEFA, which has two sites in the Clermont-Ferrand region, including one comprised of negative cold rooms – 74,000 m^3. 06

Service quality: STEF Transport France launches a national information and awareness campaign among its customers regarding load punctuality. An innovative and original approach in cold transport. 07

APRIL

Real estate:

→ **Spain:** three freezing tunnels are put into service on the STEF site at Valencia. 08

→ **France:** renovation and extension of the STEF Transport Niort-la Crèche platform – 4,000 m^2. 09

Award: STEF, Nestlé, PepsiCo win the "European Gold Medal for Supply Chain and Logistics – Project of the Year" for their shared grouping logistics project. An event organised by the ELA (European Logistics Association). 10

MAY

Real estate:

→ **Portugal:** extension of the STEF Porto site - 2,000 m^2 11

Sales: STEF becomes an approved supplier for delivering to the Milan Expo 2015. 12

Certification: STEF Italy obtains Organic Compliance Certification for its sites at Tavazzano and Mairano du Casaletto Lodigiano.

Company Savings Plan: launch of the Company Savings Plan in Italy (membership by 31% of employees). 13

Award: STEF is named "Best Logistics Operator 2014" in Portugal by the trade magazine "Distribuiçao Hoje". 14

01


02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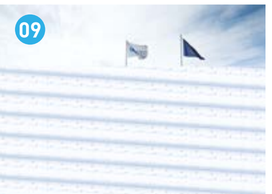

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14


JUNE

Real estate:

→ **Italy:** new transport site in Rome dedicated to seafood products – 1,800 m². 15

→ **France:** extension of the STEF Transport Mions site (East Lyon) – 2,390 m² . 16

→ **France:** renovation of the STEF Transport Athis-Mons site (Southern Paris) – 8,655 m². 17

Certification: STEF Logistics Le Plessis Belleville becomes the group's 1st site in France to obtain both ISO 90001 (quality management system) and ISO 22000 (food safety management) certification.

JULY

Real estate:

→ **France:** acquisition of a negative cold warehouse at Morlaix (Finistère) – 20,000 m³.

SEPTEMBER

Real estate:

→ **France:** delivery of the second phase of the reconstruction of the STEF Vitry-sur-Seine logistics site comprising one high-ceiling negative cold room fitted with transtockers and with a volume of 48,300 m³. 18

OCTOBER

Real estate:

→ **Spain:** operation of a new, 22,500 m² positive and negative cold platform in the Casablanca industrial park in Torrejón de Ardoz (Madrid) for a retail customer. 19

→ **Netherlands:** acquisition of a 12,000 m² warehouse at Bodegraven (north of Rotterdam). 20

Accreditation: STEF receives a Silver level recognition medal from the company ECOVADIS, for its CSR policy (Corporate Social Responsibility). 21

NOVEMBER

Urban delivery: in partnership with Les Triporteurs Rennais, STEF is experimenting with the first city centre deliveries using electric cargo bikes with an autonomous refrigerated box in Rennes. 22

Award: STEF Italy receives the "Il Logistico dell'Anno 2015" award for its process of employees' investment in its capital. An award presented by Assologistica (Italian logistics association). 23

DECEMBER

Real estate:

→ **Spain:** four freezing tunnels are put into service on the STEF site at Las Fronteras.

Joint Venture: creation of a STEF-NORFRIGO joint venture specialising in frozen warehousing in Boulogne-sur-Mer. 24

Sustainable development: STEF signs the "CO_2 Objectives: transport companies' commitments" charter in Ile-de-France for the 3rd consecutive time. 25

Award: STEF receives the first award for the "Best legal IT project" for its Contract Library project. 26


15


16


17


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21 ecovadis SUPPLIER SUSTAINABILITY RATINGS


22

23

24 Norfrigo

25 Objectif CO_2


26

ECONOMIC ENVIRONMENT OF THE GROUP

INCREASING BUT FRAGILE GROWTH IN THE EUROZONE

While global growth experienced its worst year since 2009, growth in the Eurozone benefited from a combination of favourable factors in the Eurozone in 2015 (+1.6%).

It should be noted that the acceleration in growth was not consistent: Spain has become the most dynamic economy in the Eurozone and recovery continued in Italy (+0.8%), while growth was weaker in Switzerland (+0.9%).

Change in GDP in 2015
(source IMF)

ZONE EURO	+1.6%	ES	+3.2%
FR	+1.1%	PT	+1.5%
BE	+1.4%	NL	+1.9%
IT	+0.8%	CH	+0.9%

The slowdown in the emerging economies and international trade is a new challenge for the Eurozone.

Inflation in the Eurozone is at its lowest in six years: an annual average of +0.0%, compared to +0.4% in 2014. This slowdown is explained in particular by the fall in energy prices, especially oil products. The price of food products rose by +0.8% after a deflationary 2014 (-0.1%).

2015 Inflation
(source Eurostat)

	Total	Food
ZONE EURO	+0.0%	+0.8%
FR	+0.1%	+0.5%
BE	+0.6%	+1.1%
IT	+0.1%	+1.2%
ES	-0.6%	+1.2%
PT	+0.5%	+1.0%
NL	+0.2%	+0.5%
CH	-0.8%	-0.5%

FALL IN ENERGY PRICES

Oil prices fell sharply in 2015 and by the end of the year reached a level close to that seen in 2009, with a barrel of Brent at €47 on average (-47% compared to 2014). The effects are different depending on the countries in which STEF operates. These variations have had a negative impact on invoiced turnover, particularly for the Transport business in France.

ELECTRICITY PRICES

Since 2007, electricity prices for industrial consumers have increased on the Iberian market (+41%), in France (+21%) and in Belgium (+2.8%). The movement of electricity prices to the open rate had no impact on prices since rate reductions were offset by tax rises.

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

FR	0.0538	ES	0.0758
BE	0.0585	PT	0.0706
IT	0.0664	NL	0.0666

Price in euros in the second half-year 2015
(Kilowatt/hour excl. tax).

HOUSEHOLD FOOD CONSUMPTION

Changes in household food consumption in 2015
(source Eurostat)

	versus Y - 1		versus Y - 1
ZONE EURO	+1.7%	ES	+0.4%
FR	+2.8%	PT	+0.5%
BE	+0.5%	NL	+1.4%
IT	+0.7%	CH	-0.1%

Encouraged by increased purchasing power, household food consumption has consolidated the recovery that began in 2014 after three years of negative development.

FOOD INDUSTRY

Change in production volumes in 2015
(source Eurostat)

ZONE EURO	+1.0%	ES	+1.0%
FR	+0.8%	PT	+2.4%
BE	+3.3%	NL	+2.1%
IT	-0.2%		

Food industry production in the Eurozone made scant progress in volume compared to 2014 (+1.0%). After a negative development in 2014, the French and Belgian food industries experienced a marked upturn in business. Conversely, the production of Italian and Portuguese industries fell in 2015, against a backdrop of a significant reduction in raw material costs in the food industry (cereals, milk, meat, etc.).

The need to obtain a critical size and reduce costs supports the concentration of companies. In France, in 2015, almost 80 mergers, joint ventures or acquisitions took place, primarily among farming cooperatives. Also, on the fringes of traditional distribution networks, a new trend is emerging and producers are focusing on alternative short and local distribution channels.

RETAIL

In a context of price wars, there has been a wave of mergers of distributors' central purchasing bodies in Europe over the last year. Companies are trying solutions for new vehicles for growth by prioritising innovation (new store concepts and services).

They are working on their supply chain in order to reduce costs and supply and in-store replenishment times.

Multichannel marketing[1] is a strategy which is increasingly being adopted by retail companies looking to protect their market share against the arrival of new competitors: e-commerce, drive and convenience stores are driving the sector's growth.

OUT OF HOME

For several years, the foodservice sector has suffered a decline in footfall which has impacted companies differently. Fast food chains are more resistant than traditional restaurants (-1.5% of turnover).

The economic crisis is accelerating the developments and adaptations to new consumer expectations. Innovative concepts are emerging to meet the needs of greater functionality, freshness and balance. 2015 saw a growth in start-ups offering home delivery services for restaurant-prepared dishes in European capitals.

TRANSPORT AND LOGISTICS

In a context of constant development for cabotage and stable volumes, the transport and logistics sector continues to face strong price competition. Companies are looking for new sources of growth by diversifying and developing added value services upstream and downstream of the logistics chain. At the same time, the sector's consolidation has continued. External growth has enabled the major operators to extend their network to several countries: around ten major mergers-acquisitions were identified internationally in the road haulage transport sector in 2015. These major operators are seeing their performances deteriorate against a backdrop of global economic slowdown.

MARITIME

Maritime passenger transport to Corsica from mainland Europe fell compared to 2014, while air traffic continued to grow (+2.9%) and now represents 46% of the total market.

Freight traffic grew by +2%. The port of Marseille has been the sole beneficiary of this growth with an increase of 4 points in its market share over the port of Toulon and 0.8 points over that of Nice.

[1] Multichannel marketing refers to the increase in contact channels (physical and virtual) between a company and its customers.

GROUP'S OPERATIONS

The economic situation in the Eurozone improved with a change in GDP of 1.6% and an improved unemployment rate. This slightly more promising environment has boosted household purchasing power and resulted in a rise in domestic and intra-European consignments operated by companies in the logistics chain. STEF has used this trend to strengthen its commercial momentum and develop a service offer for both mass and proximity distribution, which benefits all types of customers.

THE GROUP IS ORGANISED AROUND FOUR OPERATIONAL SEGMENTS

PAGE 18

TRANSPORT FRANCE DIVISION

This brings together in a single network called 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.

PAGE 22

LOGISTICS FRANCE DIVISION

Under the name STEF LOGISTIQUE, this manages frozen, fresh, temperature sensitive and dry food products logistics services for manufacturers, retailers and out-of-home foodservice.

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STEF INTERNATIONAL DIVISION

This concentrates on domestic activities outside France, namely in Italy, Spain, Portugal, Belgium, the Netherlands and Switzerland. The international division also covers European consignments handled outside France.

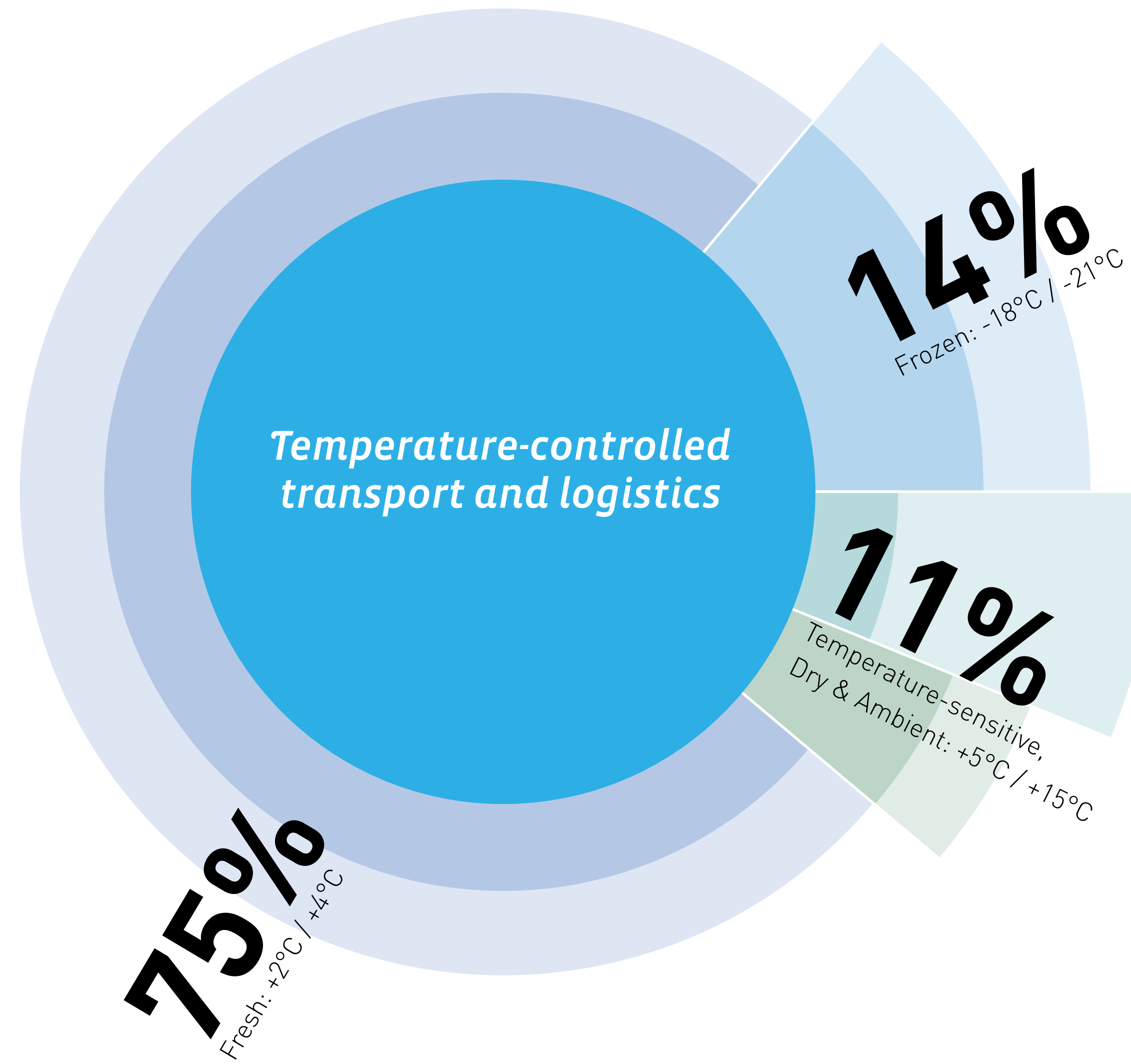
MARITIME DIVISION

PAGE 30

La Méridionale provides a maritime passenger and freight transport service between the continent and Corsica under a public service concession.

THE ACTIVITIES MAKING UP THE GROUP'S CORE BUSINESS COVER ALL TEMPERATURE RANGES

STEF is primarily a service provider operating on the + 2 °C / + 4 °C



KEY PERFORMANCE DRIVERS OF THE GROUP IN 2015

1 — The consolidation of its fundamental principles by maintaining strong organic growth (+3.5%, excluding fuel price fluctuations) and the return to operational performance of transport activities in France following the integration of Ebrex in 2014.

2 — The importance of STEF International as a source of growth, with a sustained improvement in 2015 (+7.8%), driven primarily by the facilities in Italy and the Netherlands and by the performance of European consignments.

3 — A continued ambitious real estate investment plan in order to adapt the existing system to new market requirements (warehouse equipped with a transtocker at Vitry-sur-Seine) and secure the group's international development:

- → Netherlands: acquisition of two neighbouring warehouses on the Speksnijder site at Bodegraven;
- → Portugal: reconfiguration of the real estate investment in Porto and Lisbon;
- → Italy: acquisition of a refrigerated warehouse in Mairano (Milan);
- → Switzerland: acquisition of land in German-speaking Switzerland for the construction of a multi-temperature platform.

TRANSPORT FRANCE

STEF Transport is positioned on the mass distribution market for temperature-controlled food products.

Time and freshness constraints, characteristic of fresh products, have allowed STEF Transport to differentiate itself nationally, through the density of its network and due to its expertise in managing just-in-time deliveries and its ability to offer a range of services to different production or distribution sectors.

The STEF Transport network has developed its range of services and offers its customers:

→ national coverage and customer proximity supported by a strong local base (81 platforms for 90 French "départements");

→ a capacity to organise flows by distribution type (platforms for retail, wholesale, dealer networks, etc.), providing its customers with the value generated by a search for systematic mass distribution;

→ a service differentiated according to the types of consignee customers and temperature, using a network size effect.

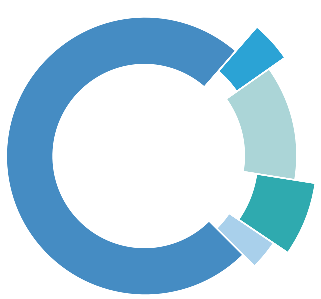
In 2015, the negative effect of fuel prices on customer turnover (-2.6%) and selective decisions about EBREX's customer portfolio in late 2014 and early 2015 exacerbated the contraction of customer turnover to -1.7%.

However, with the exception of the sluggish seafood products market, STEF Transport's activities were carried by a real commercial momentum and grew by +0.9% in volume.

At the end of December 2015, the STEF Transport network had 81 sites and was using a fleet of 4,400 vehicles (tractors and lorries), almost half of which the company owns.

ANALYSIS BY SEGMENT

STEF Transport's turnover by segment



- **74%** Fresh
- **4%** Dry and Ambient
- **12%** Frozen
- **7%** Seafood products
- **3%** Foodservice

FRESH AND COMPATIBLE PRODUCTS TRANSPORT

The synergy of the STEF Transport network meets various market requirements, with a unique capacity to absorb the highly volatility of volumes handled in terms of services.

The food industry sector for fresh products, organised primarily around just-in-time deliveries, continued its move to concentrate companies. STEF's organisation is sought for its ability to anticipate and support these changes operationally, changes that promote the consolidation of flows and optimise shipping and delivery costs.

By relying on its strengths (controlling lead times, the synergy of logistics and transport) STEF is gradually expanding its offer on the Temperate Dry Food (TDF) segment. In 2015, this segment demonstrated good growth in an environment marked by faster consignment flows.

Started in early 2014, the operational integration of EBREX was successfully completed and during the year, returned to an operational quality level in line with the group's fundamental principles and market expectations, as well as a significant improvement in economic performance.

The specific features of the different types of distribution allow STEF to demonstrate its expertise in delivery operations in urban or rural areas, in motorway service stations or beach, mountain or coastal resorts.

7,908

EMPLOYEES

FROZEN PRODUCTS TRANSPORT

As in previous years (excluding the food crisis situation), the frozen product market remained steady. Only the ice cream market benefited from particularly favourable weather and strong growth in volume.

STEF Transport consolidated its positioning on this segment and continued to implement its system to respond to the needs of manufacturers seeking new distribution channels. The frozen consignments handled by the group benefited from being combined with all the consignments handled within the STEF Transport network.

SEAFOOD PRODUCTS TRANSPORT

The seafood products market is characterised by a global supply and a falling consumption level and companies undertaking a concentration process against a backdrop of changing consumption habits (filleting).
However, STEF Transport has maintained its positioning on this segment and is adapting to this environment by centralising its commercial organisation in France.

LOGISTICS FRANCE

Operationally, STEF Logistique France is divided into four activities:

1 — *Mass distribution logistics for fresh and temperature sensitive products for all operators in the agrifood chain*

2 — *Dedicated contract logistics for supermarket companies*

3 — *Pooled or dedicated logistics for commercial restaurant chains in particular*

4 — *Frozen products logistics for manufacturers or local distribution and proximity logistics for SMEs*

BUSINESS ACTIVITY TRENDS

Following on from 2014, the Logistics France Division posted a growth in turnover of +4.1%, with sustained development in mass distribution logistics for fresh and temperate dry food (TDF) products and dedicated activities for retailers.

In 2015, the high volatility of the volumes handled intensified due to erratic food consumption throughout the year, particularly following the events in Paris in November 2015.

MASS DISTRIBUTION LOGISTICS FOR FRESH AND TEMPERATURE SENSITIVE PRODUCTS

This scope posted the highest growth rate (+17%) driven mainly by the Temperate Dry Food segment which benefited from sustained development by its main customers and the addition of new businesses.

In order to support its development and offer its customers tools to meet their challenges, STEF Logistique has committed to two significant real estate investments, at Nemours and to the north of Orléans, which will be operational in early 2017.

DEDICATED HYPER- AND SUPERMARKET LOGISTICS

With almost +6% growth in turnover, this activity showed renewed momentum. Fresh food products presented a significant organic growth rate across the majority of companies. The dedicated platform in the Midi-Pyrénées region reached full operating status in 2015.

The frozen segment is stagnating due to the natural development of this market. Consumption trends are changing to more extended product ranges, which has helped to degrade operators' logistical parameters. However, STEF has been ahead of its market in this segment due to the new businesses started during the year.

3,628
EMPLOYEES

LOGISTICS FOR COMMERCIAL RESTAURANT CHAINS

Following several years of extremely high growth resulting from winning new business and external growth operations, this scope is slowing down (-6% of turnover): loss of one business and a sharp fall in the volumes handled for one major customer.

The year's salient feature was undoubtedly the purchase of Quick by the exclusive franchisee of Burger King in France. As the logistics operator for both these companies, STEF is using its expertise and skills to develop a logistics transformation plan that aims to support this strategic merger.

FROZEN PRODUCTS LOGISTICS AND PROXIMITY LOGISTICS

With an increase of +3.4%, this activity has returned to growth, driven by the development of its added value peri-industrial activities, particularly with companies in the Bakery and Pastry market.

STEF has created a strategic partnership with an operator in Boulogne-sur-Mer, Norfrigo (Le Garrec group), in order to consolidate the frozen warehousing activities of the two groups in this region. This has resulted in the sale of STEF's business (real estate and operation) to a joint venture created for this purpose, in which the group owns 38% of the capital. The new entity can attain critical size and provide a bespoke service offer for customers. The facilities at Boulogne-sur-Mer are set in an attractive location for handling consignments from the United Kingdom and the Scandinavian countries heading for France and Southern Europe.

Finally, STEF Logistique is changing and adding to its real estate investment, in particular by using a transtocker with a capacity of 7,500 pallets on the Vitry site in the Paris region and by purchasing local operators (Périgord and Bretagne Nord).

STEF INTERNATIONAL

The scope of STEF International includes Italy, Spain, Portugal, Switzerland, Belgium, the Netherlands and an international consignment business from all these countries, as well as Germany and Eastern Europe.

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

In 2015, the STEF International division confirmed its momentum by making significant real estate investments in Switzerland, Italy, Portugal and the Netherlands which are designed to consolidate its positions on its domestic markets.

In an unfavourable market context, STEF International posted strong growth in its performances once again in 2015, with a +7.8% rise in turnover compared to 2014, confirming the relevance of its model. It benefited from the contribution of Speksnijder in the Netherlands in 2015.

Tavazzano

ITALY

In this region, which is the second largest country in the group in terms of turnover, STEF is now positioned as a benchmark transport and logistics operator for fresh products and posted a +5.8% growth rate in turnover.

The increased reliability of business processes and improved performance have allowed the service offers to be adapted to market expectations.

STEF capitalised on the commercial momentum started in the last two years, especially on the Mid Market segment which grew by +8%. Investments in real estate and refrigerated equipment have allowed quality operations in new product sectors, especially in the meat industry.

STEF completed its operational process with the opening of two platforms on the outskirts of Rome, one dedicated to fresh logistics activities, the other specialising in seafood products distribution. A refrigerated warehouse was purchased in Mairano (Milan) together with land in the Bologna region for constructing a building which will be operational in 2017.

SWITZERLAND

In Switzerland, the STEF group is predominantly positioned on the frozen segment. It confirmed the strength of its model with an increase of +18.5% in its turnover and continued profit growth. This performance is mainly as a result of the transport business.

In order to develop its fresh products logistics offer in this country, the group is preparing to build a multi-temperature platform in the German-speaking area with the acquisition of industrial land at Kölliken, near the city of Zurich.

SPAIN

In Spain, turnover rose by +4.8%. This development confirms both the stability of the existing business and the effectiveness of sales initiatives.

The profitability of consolidation activities was affected, on both the domestic and international markets, by the combined effects of the fall in fuel prices and the shortfall in transport resources, which led to a rise in purchasing prices for transport subcontracting.

Logistics activities benefited from the strong increase in occupancy rates for frozen warehouses and a satisfactory performance. Conversion costs incurred on the multi-customer scope damaged economic performance.

STEF managed to retain its strategic key accounts on the dedicated logistics segment, in particular by assisting its largest customer to complete a major project to transfer this customer's business to its own new platform, equipped with a mechanised preparation system with a very high sorting capability and successfully operated by the STEF group.

Foodservice demonstrated a strong momentum, driven by the growth of its largest customer in this business segment. A process dedicated to foodservice is set to be developed in 2016 given the commercial momentum on this segment.

Madrid – Torrejón

Speksnijder - Bodegraven

PORTUGAL

In Portugal, business development efforts and system changes on the Lisbon and Porto sites have partially offset the loss of consignments from one of the largest customers.

However, the adjustments are determining factors for ensuring business development and supporting performance improvement initiatives that have already been started.

STEF has been resilient in this country by protecting its operating margin and absorbing the impacts of the restructuring actions.

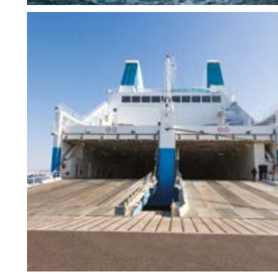
BENELUX

The business in the Netherlands has benefited from the full-year impact of the integration of the company Speksnijder acquired in September 2014.

In 2015, STEF confirmed its ambition in the Netherlands with the additional acquisition of two building complexes totalling 12,000 m^2 adjacent to those of Speksnijder. This investment sustainably consolidates the group's strategic positioning in this geographic sector and does so across all its business segments, transport, logistics and international consignments.

In Belgium, STEF focused on the performance of its logistics business. The transport business benefited from a growth driven by the synergies created between the group's sites in Belgium and the Netherlands.

MARITIME



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 3 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 current activity represents over 1,000 annual crossings.

In 2015, total freight and passenger traffic, maritime and air, between the French continent and Corsica recovered: +1.8% for freight and +0.7% for passengers. However, maritime passenger traffic fell (-2.8%) due to competition from Italian shipping companies and low-cost flights.

For La Méridionale, 2015 was marked by two events:

→ the termination, effective from 1 October 2016, of the public service concession to provide maritime services to Corsica from Marseille (DSP), signed with the Corsican authorities for the 2014-2023 period;

→ the awarding by the Commercial Court of Marseille of the major assets of SNCM, a company in receivership and partner company to the DSP alongside La Méridionale, to the ROCCA group.

Despite the context, La Méridionale posted a good performance for its business:

→ passenger activity increased significantly with 275,000 passengers travelling between Marseille and Corsica (+6.9%) and 3,000 passengers between Marseille and Sardinia;

→ the freight business developed well, with an increase of +4.4% in the number of linear metres transported, totalling 792,000 metres. 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 SCANDOLA vessel was chartered for the entire financial year. It should be sold in 2016 following the signing of a sales agreement.

La Méridionale is preparing for the next Corsican maritime services call for tenders and aims to provide its service under the best safety and reliability conditions for all its customers and in keeping with its economic model.

OTHER ACTIVITIES

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

1- the IT systems division, STEF Information et Technologies , comprises specialist teams working on business and customer IT and management computing

2- the Real Estate division, IMMOSTEF, manages the group's real estate assets

INFORMATION SYSTEMS DIVISION

→ STEF Information et Technologies (STEF IT) develops computer software, 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 2015, STEF completed the secure service issued to transport businesses by measuring the performance and availability of the implemented applications.

New functionalities related to measuring punctuality, monitoring packaging and the traceability of times and temperatures were provided to the network and subcontractors through the SCOP portal and the embedded computing tool M-Track.

In logistics, STEF finished deploying the latest version of its warehouse management software (WMS) in France and covered part of the remaining scope in Spain and Portugal.

The multi-year customer and supplier data standardisation programme continued. Following the deployment of the module dedicated to the management of the sales teams in Europe, the modelling of the scope for Customer Service for the out-of-home foodservice business began.

ADMINISTRATIVE MANAGEMENT AND PRODUCTIVITY

STEF IT is tasked with deploying the tools designed to improve the productivity of administrative operations within the group. In 2015, STEF IT was involved in the following areas in particular: deployment of a new budget construction tool for the group (Hypérion), a paperless tax solution for out-of-home foodservice customer invoices in Spain and Portugal, management of vehicle maintenance and real estate assets, deployment of the group payroll software in Switzerland, implementation of a database for the group's customer and supplier contracts (contract library) and a tool for managing online recruitment.

NEW SERVICES FOR THE GROUP'S CUSTOMERS

STEF IT implemented its offer for managing purchasing and supply decisions dedicated to the traditional fresh products segment with its supermarket customers.

Corbas

REAL ESTATE DIVISION

REAL ESTATE ASSETS

STEF favours a policy of owning its real estate assets. The group uses a European network of 219 warehouses and platforms, for a total warehouse volume of 6,912,200 m^3 and a refrigerated quay area of 443,000 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 are sold after obtaining new building permits and being assigned to other uses.

MAIN PROJECTS DELIVERED IN 2015

IMMOSTEF supports the group's long-term growth by constantly updating the real estate instrument, through a sustained acquisition policy and reconfiguration and renovation projects.

Acquisitions of land reserves

Netherlands: acquisition of a 12,000 m^2 warehouse at Bodegraven intended to extend the operating capacities of the subsidiary Speksnijder;
Italy: acquisition of a refrigerated warehouse in Mairano (Milan) with a total net floor area of 16,400m^2 and 82,000 m^3 of storage capacity at + 2°C / + 4°C;
France: acquisition of two negative cold warehouses at Morlaix and Thenon (Dordogne) with a total capacity of 57,000 m^3;
France: takeover of GEFA, which owns two sites in the Clermont-Ferrand region, including one comprised of negative cold rooms with a total capacity of 74,000 m^3;

France - Reservation of three plots of land intended for:

→ the construction of a 18,000 m^2 temperate warehouse in the Orléans North sector dedicated to the storage and preparation for orders of products stored at + 8°C / + 15°C;

→ the construction of a refrigerated warehouse near Nemours, with a total net floor area of 18,500 m^2, designed for ultra-fresh food products stored at + 2°C / + 4°C;

→ the construction of a transport platform at Chateaubourg (East Rennes), with a total net floor area of 8,000 m^2, which will be a mass distribution centre for fresh and frozen products leaving the Brittany region.

Casablanca - Torrejón

Mions

Mairano

Work completed and started in 2015

IMMOSTEF regularly implements major renovation and extension projects across its real estate assets. In 2015, several projects were conducted:

→ renovation and extension of the Niort – La Crèche transport platform for a total net floor area of 4,000 m^2, the Athis Mons transport site (Southern Paris), for a total surface area of 8,700 m^2, and extension of the Mions site (East Lyon);

→ delivery of the second phase of the reconstruction of the Vitry-sur-Seine logistics site comprising one high-ceiling negative cold room fitted with transtockers and with a volume of 48,300 m^3;
→ complete renovation of the seafood terminal occupied by STEF at Boulogne-sur-Mer with works expected to last two years.

Other projects

In terms of real estate, IMMOSTEF implements the group's investment programme:

→ a transport platform in Bologna (Italy), acquisition of land in Rome for the construction of a new site;

→ a multi-temperature logistics warehouse in Kolliken (German-speaking Switzerland).

ENERGY MANAGEMENT

STEF is a signatory to the "Energy Efficiency Charter for Tertiary Buildings"[2] and has deployed structured action plans for the most energy efficient technical solutions (E.D.E.N. programme, "Energy Passport").

In 2015, STEF saw the renewal of its ISO 50 001 certification for the implementation of its energy management system, deployed across all its sites in France. This programme aims to manage electricity consumption over time and continuously improve practices and uses in operational processes. The savings made in 2015 were 12,700 MWh, which is a -3.4% reduction in the total consumption of the sites and equivalent to the electricity consumption of approximately 3,000 homes.

[2] 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

SUSTAINABLE DEVELOPMENT

REPORTING METHODOLOGY

The information on the environmental, social and societal impact of STEF's business is 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. All information identified by the sign* has been verified with a reasonable level of assurance by the independent third party organisation.

SCOPE

In 2015, quantitative and qualitative environmental information was provided about the whole group.

In 2015, social information, including the workforce at 31 December and its variations was provided about the group[3].

The following features should be noted:

→ the workforce of the CMM** and GEFA are only included for the workforce indicators at 31 December;
→ the employees of the Boulogne-sur-Mer and Wimille facilities of STEF Logistique Nord have been included in the indicators up to their integration in the joint venture with Norfrigo (1 November 2015);
→ Netherlands: flexible contracts, which are specific to the country, are not counted in the permanent and fixed term employment contracts.

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.

* The level of reasonable assurance, symbolised by the logo is a voluntary process for the STEF group.
It requires further work from the independent third party organisation in addition to that undertaken as part of a limited assurance.

** Compagnie Méridionale de Manutention (12 employees).

[3] Additions to the scope (GEFA: 11 permanent employees / STEF Logistique THENON: 5 permanent employees / STEF Logistique MORLAIX 2: 2 permanent employees) / Exits from the scope (STEF Transport St-AMAND: 31 permanent employees / NORFRIGO JV: 26 permanent employees).

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 promote:

→ the improvement of the environmental impacts of STEF's transport and logistics activities;

→ the development of innovative, effective and sustainable business solutions for the performance of the group and its customers;

→ the continuous improvement of the group's social responsibility model.

The policy implemented is based on changes in 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.

In order to guarantee that information from the Transport CO_2 calculator complies with the regulations, STEF's methodology has been validated by Bureau Veritas Certification which issued the corresponding certificate in December 2015.

REDUCING THE CARBON FOOTPRINT OF TRANSPORT ACTIVITIES

In 2009, STEF Transport began a three-year programme to reduce CO_2 emissions and signed its first "Charter of voluntary commitments to reduce CO_2 emissions by road haulage companies" put forward by ADEME. Between 2009 and 2014, the group reduced its CO_2 emissions in tonne-kilometres by 18%.
In December 2015, STEF Transport committed to a third three-year period with an objective to reduce its CO_2 emissions in tonne-kilometres by 2%.

While seemingly less ambitious, this objective takes into account the group's improvement capacities and it is now considered that only a major technological breakthrough in vehicles would allow a large reduction in CO_2 emissions, as was the case with the Euro V and VI tractor ranges.

Alongside this commitment, STEF has started an "Objective CO_2 Environmentally-friendly transport" accreditation process with ADEME.

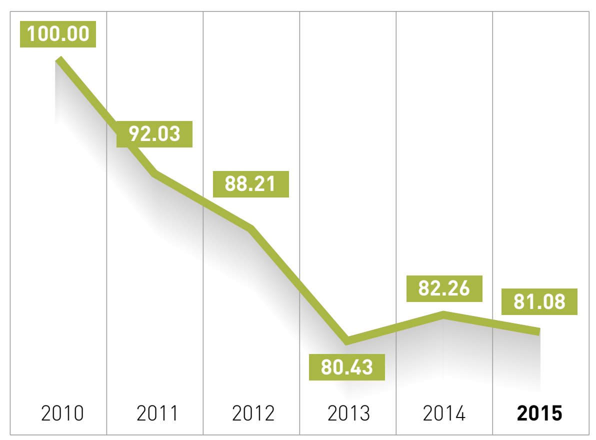
Among the environmental indicators monitored by STEF, the measurement of the g CO_2/tkm emission seems most relevant, given its business. This includes the estimated CO_2 emissions related to all transport subcontracting.
Due to the prevalence of the activities in France, it seemed more relevant to present two indicators, one specific to French activities and the second focusing on all the group's activities (excluding maritime).

For 2015, the indicator relating to the French activities is published under 2 reference systems:

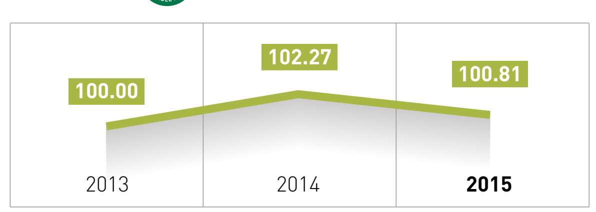
→ one on base 100 from 2010, showing the large reduction in emissions achieved from this date, following the efforts made;
→ the other on base 100 from 2013, which will now be STEF's reference.

CHANGE IN THE EMISSION OF gCO_2 / TONNE- KILOMETRE

"Transport France Activities" indicator – base 100 (2010)



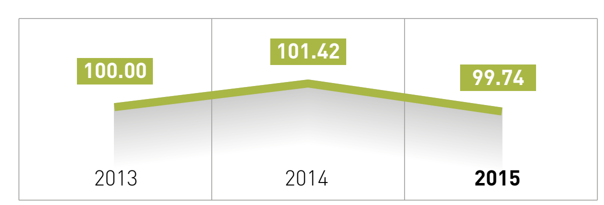
"Transport France Activities" indicator – base 100 (2013)



In 2014, a slight increase in the indicator was temporarily observed, due to the unoptimised integration of EBREX's business, representing approximately 10% of the transport activity. In 2015, the return to standard operating conditions showed a recovery in the fall of this indicator.

As part of its continuous improvement process, STEF conducted a survey among its main transport subcontractors to analyse the breakdown of their fleet of tractors in terms of Euro standards, allowing the reduction of emissions from their activity into the environment to be evaluated. This study revealed that the fleet of tractors is relatively new, particularly in France (97% to Euro V – VI standards).

"Transport Group Activities" indicator – base 100 (2013)



This indicator was created from all the activities conducted by the group and includes activities in the Netherlands over the 2015 financial year. The information and monitoring systems were slightly different from those used in France, standardisation is in progress.

The rise in the indicator observed in 2014 is explained by the prevalence of the French activities in its calculation (EBREX effect). The downward trend observed in 2015 complies with requirements and is in line with the group's commitments (ADEME charter in particular).

REDUCING THE CARBON FOOTPRINT OF MARITIME ACTIVITIES

La Méridionale continued to reduce the environmental impacts of its activities especially by changing the propeller pitch of its vessels in order to ensure the most fuel-efficient navigation speed. La Méridionale implemented an emission indicator of $kgeqCO_2$/km.

Reducing the environmental impacts of inputs

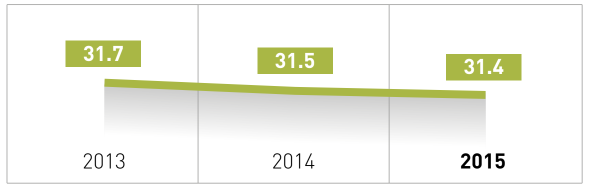
STEF is continuing to work on reducing the carbon footprint related to its business by controlling energy consumption (ISO 50 001 process), water consumption (cooling towers and washing vehicles) and implementing a waste management policy.

VEHICLES

Reducing fuel consumption

In 2015, the regular replacement of fleet vehicles, driver training in eco-driving techniques and the constant monitoring of fuel consumption helped to achieve the objective of fixed consumption for company owned fleet tractors, at 31.4 litres/100 km.

Tractor consumption changes
STEF Transport



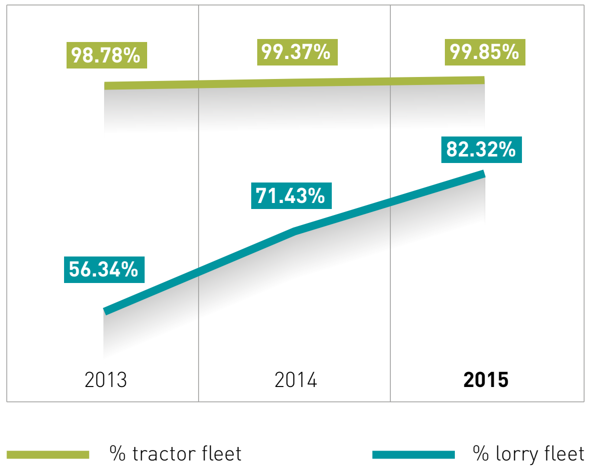
Reducing pollutants

The regular replacement of its company owned fleet of tractors and lorries has provided STEF with an environmentally-friendly fleet of vehicles.

The entire fleet of tractors in operation complies with the Euro V and VI standard. The remaining percentage (0.15%) relates to yard vehicles designed to dock trailers.

Lorries doing fewer kilometres with a longer replacement cycle account for a smaller percentage, but the indicator tends to be close to that for tractors and aims to catch up with it.

Fleet of Euro V-VI vehicles (France)



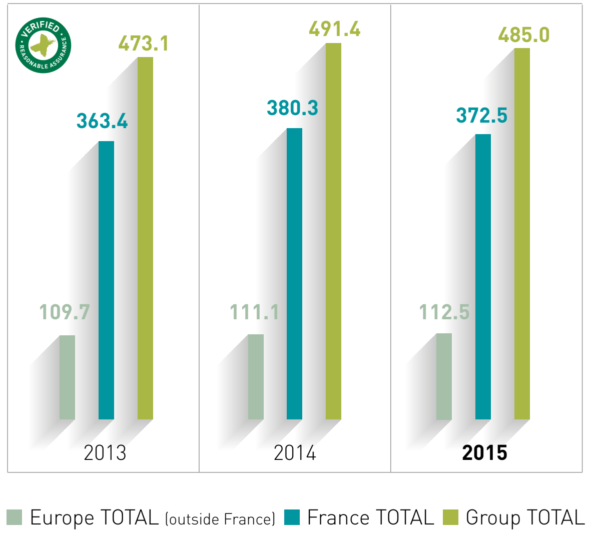
WAREHOUSES AND PLATFORMS

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. The accreditation of French real estate assets (77% of the group's sites) with the ISO 50 001 standard, obtained in 2014, was renewed in October 2015.

The wider application of the "Energy Passport" has translated into an energy control policy across all the group's sites.

Changes in STEF's energy consumption (GWh)



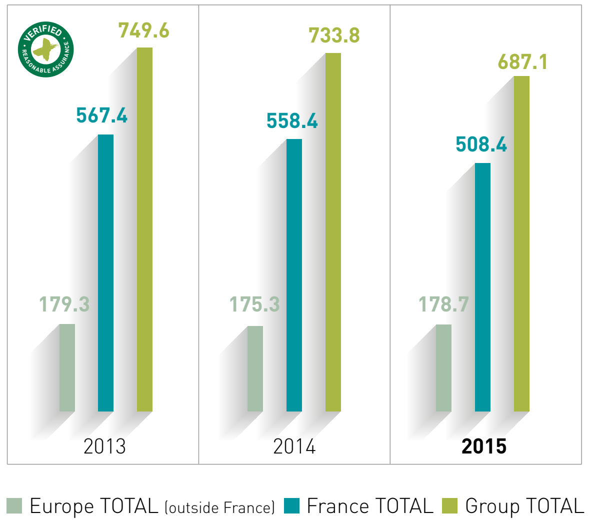
Analysis of the energy consumption shows a reduction of 1.3% in the uncorrected gross value of the changes in scope. At constant scope, the reduction complies with the objectives set.

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 (84%) and by boreholes and rainwater harvesting (16%).

Procedures designed to optimise consumption are implemented when replacing refrigerated facilities, especially where air condensing replaces water condensing. The fall in water consumption observed in 2015 was 6.4%.

Changes in STEF's water consumption (in thousands of m³)



CONVERTING REFRIGERATED FACILITIES WITH NATURAL REFRIGERANTS

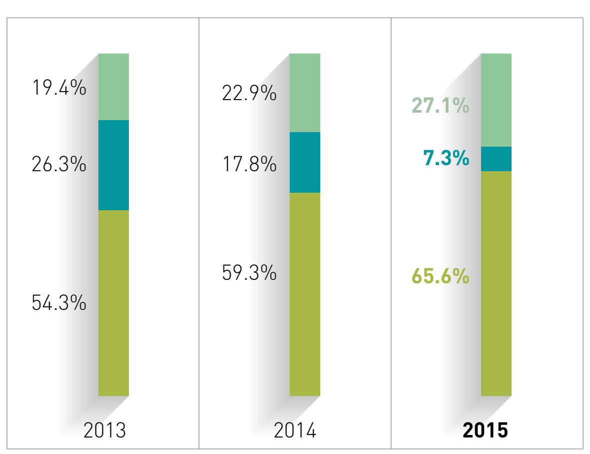
In Europe, STEF continued the conversion plan for its refrigerated facilities that use HCFC-R22 fluids, by prioritising:

→ natural fluids (ammonia and carbon dioxide) for negative cold facilities;

→ fluids with HFCs in low quantities, combined with refrigerant fluids, for positive cold facilities.

The great majority of facilities concerned have now been reconverted.

Group refrigerants (t)



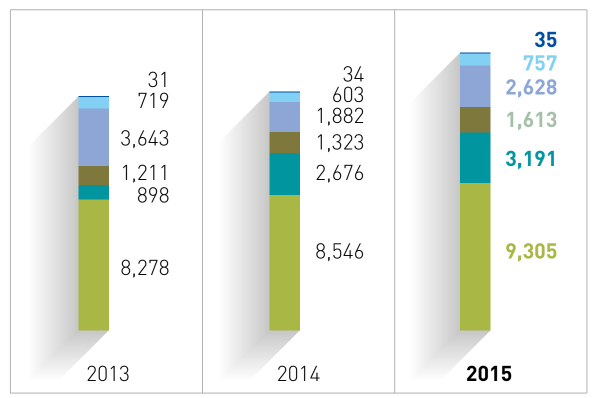
Natural refrigerants HCFC HFC

WASTE MANAGEMENT AND SORTING FOR RECYCLING

The widespread application of the waste management policy across all sites has enabled STEF to improve the waste recycling and recovery rate for non-hazardous waste (NHW): paper/cardboard, cellophane packaging, wood, metals glass and recyclable food waste. These actions help to act in favour of the circular economy.

Hazardous waste (HW)[4] is treated through the approved channels.

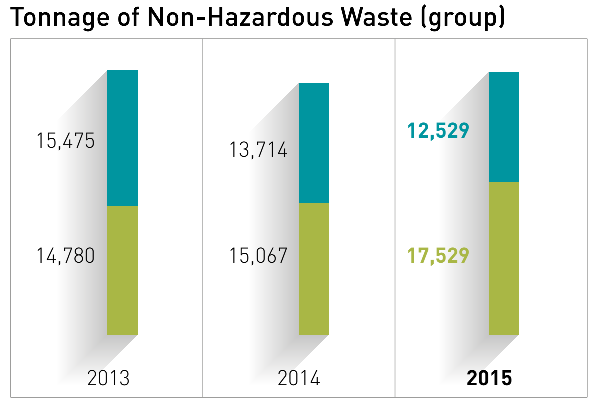
Breakdown of Recycled Waste (group)



Cardboard/paper
Food
Plastic
Wood
Metal
Glass

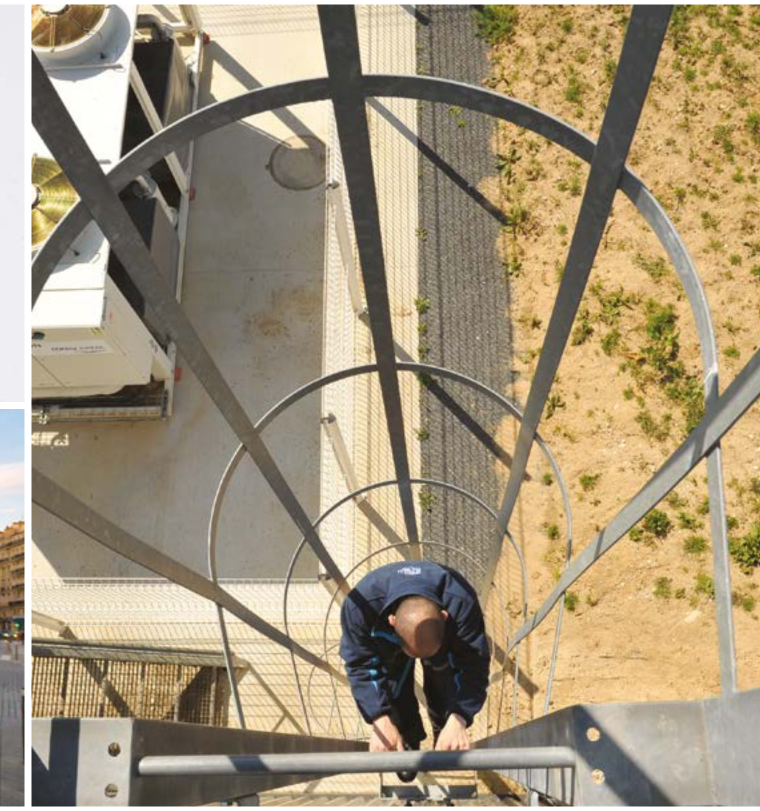
In 2015, the recycling-recovery rate was 58% (which is 17,529 tonnes), compared with 52% in 2014.

Tonnage of Non-Hazardous Waste (group)



Tonnage recovered Tonnage not recovered

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



Optimising transport and logistics solutions

Wanting to offer its customers effective, innovative and sustainable logistics solutions, STEF is continuing to experiment with new distribution plans and alternative technologies for the management, grouping and mass distribution of consignments and/or technical facilities.

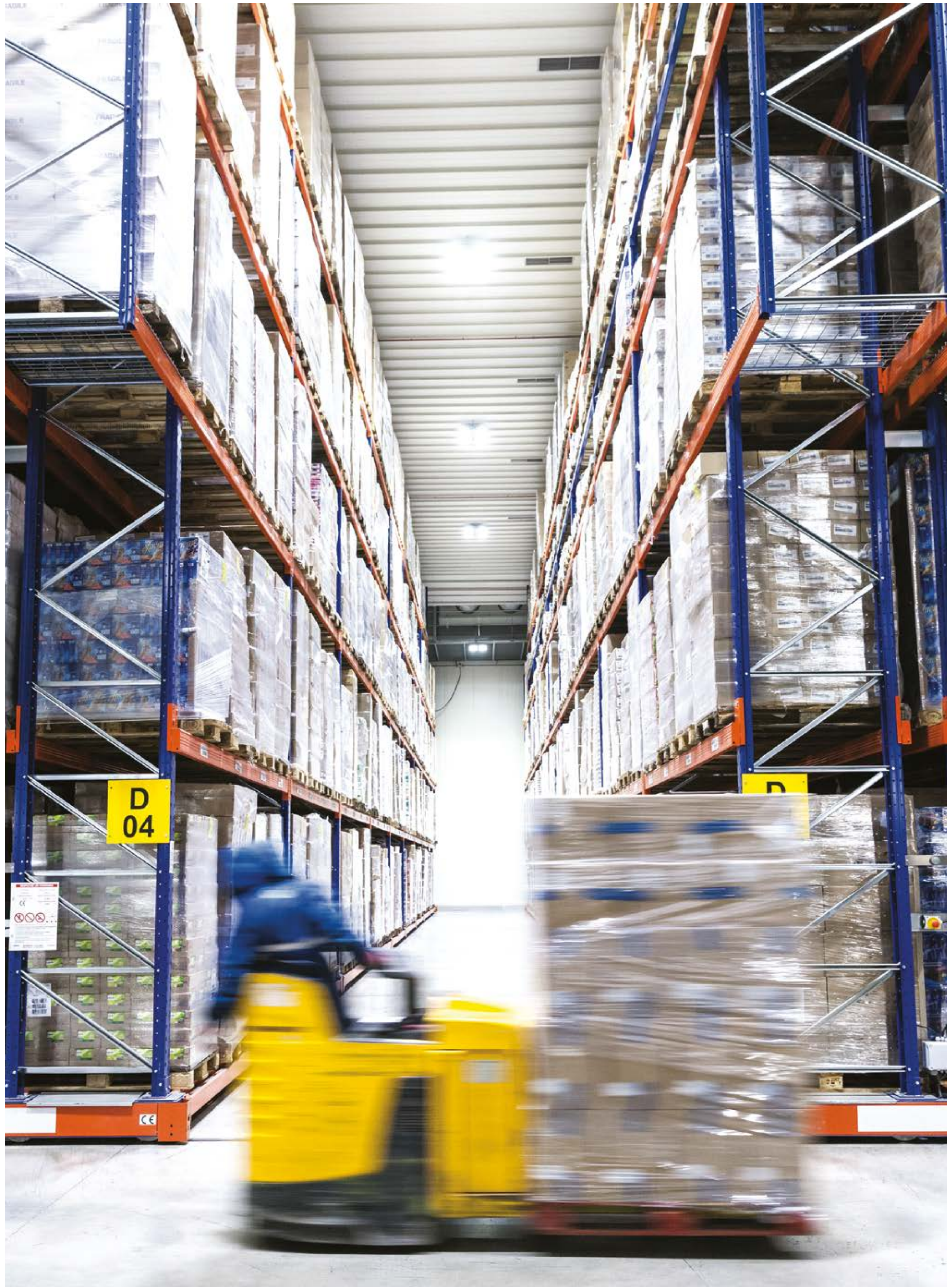
Urban distribution

STEF is aware that over the coming years changing consumption habits, the need for sustainable environmental protection and adapting to regulations will lead to far-reaching changes which will require new organisation and distribution schemes.

In order to guarantee a sustainable service quality for its customers while taking into account such developments, STEF is experimenting by working in partnership with its customers (test-experiment for urban delivery in the hyper-centre of Rennes using a cargo bike). The main challenges are to reduce polluting emissions and noise pollution related to cold production.

Ethical charter and involvement of suppliers and subcontractors

As part of its CSR policy, STEF has created an ethical charter which includes standards for good business practice and a responsible purchasing charter for all its suppliers.



SOCIAL POLICY

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

1 — *support the group's European growth*

2 — *develop the group's commitment in its social responsibility*

3 — *maintain the quality of the social dialogue*

GROUP WORKFORCE AT 31 DECEMBER 2015

At 31 December 2015, the group's workforce (permanent and fixed term employment contracts) totalled 15,590 employees, which is almost stable compared to 2014 (+34 people or +0.2%). This change is the result of the organic growth in logistics and in the different European countries (excluding Portugal). Changes in scope were limited: in logistics, the integration of GEFA (11 employees) and the Thenon (5 employees) and Morlaix (2 employees) sites; in transport, the sale of the Saint-Amand site (31 permanent employees at the disposal date). Furthermore, 26 employees who joined the joint venture with Norfrigo were no longer included in the group's workforce at 31 December. Other developments were technical, such as the grouping of business units under central management.

These figures do not take into account assisted contracts (primarily apprenticeship and professionalisation contracts) which accounted for 274 people at 31 December 2015 or temporary staff, the number of which increased in comparison to 2014 (4,066 against 3,661)[5]. Including all contract types, the increase was +2.4% over the period.

[5] Number of temporary hours worked during December 2015/151.67.

WORKFORCE BY DIVISION

Permanent and fixed term employment contracts	31/12/2013	31/12/2014	31/12/2015
Transport France	8,356	8,096	7,908
Logistics France	3,426	3,450	3,628
STEF International	2,652	2,886	2,899
Maritime (mainly La Méridionale)	510	557	543
Other activities and central functions	546	567	612
GROUP TOTAL	**15,490**	**15,556**	**15,590**

WORKFORCE BY COUNTRY

	31/12/2013	31/12/2014	31/12/2015	Change 2014/2015
Workforce France	12,877	12,735	12,750	0.1 %
Workforce outside France, of which	2,613	2,821	2,840	0.7 %
- Spain	1,228	1,249	1,250	0.1 %
- Portugal	425	440	395	-10.2%
- Italy	520	574	603	5.1%
- Belgium	317	312	326	4.5%
- Netherlands		158	167	5.7%
- United Kingdom	33			
- Switzerland	90	88	99	12.5%
GROUP TOTAL	**15,490**	**15,556**	**15,590**	**0.2%**

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

WORKFORCE BY GENDER

The number of women is stable and at the end of 2015 represented 19.9% of the workforce. It varies depending on the country:

% of women in the workforce- over the group

France	Spain	Portugal	Italy	Benelux	Switzerland	Total
18.7%	28.6%	28.9%	33.7%	10.5%	5.1%	19.9%

WORKFORCE BY CATEGORY

The structure of the workforce by category has remained steady over the last three financial 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 (the classification criteria in the "executives" category are more restrictive outside France).

Categories (EUROPE)	2013	2014	2015
Executives	11.1%	11.2%	11.0%
Advanced and Proficiency skills	17.9%	17.8%	17.3%
Employees	14.0%	14.4%	14.5%
Manual workers	57.0%	56.7%	57.2%
- of which transit staff	23.0%	22.2%	21.6%
- of which sedentary workers	32.3%	32.6%	33.4%
- of which seagoing workers	1.7%	1.9%	2.2%

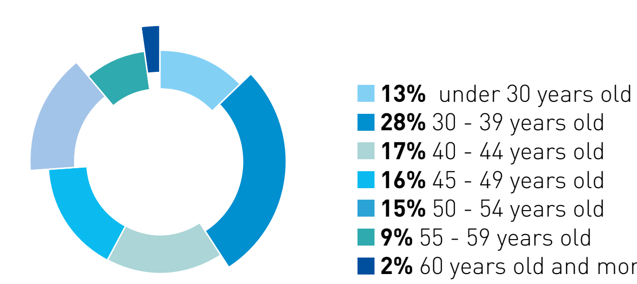
WORKFORCE BY AGE BRACKET

At 31 December 2015, the group's workforce (permanent and temporary employment contracts) was broken down as follows:

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

The situation varies depending on the country. Thus, in Portugal, 61% of employees are below 40, while this category accounts for 41% of the French workforce.

Permanent and fixed term workforce by age bracket



TURNOVER

In 2015, staff turnover[6] was 7%. This relatively low rate is explained by the social policy conducted within the company and by the economic situation with the resulting tensions in the labour market:

→ permanent appointments[7]: 985 new appointments or promotions, including 744 in France;

→ permanent contract departures: 1,069 departures including 494 redundancies or negotiated terminations and 138 retirements and early retirements. 57 departures were due to changes in scope.

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.

In 2015, compared with 2014, excluding non-recurring costs related to changes in scope, payroll[8] increased by 1.6%, for an actual growth in the workforce of 1.7%[9] on average.

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 2015, 18.6% of hours worked were at night (compared with 18.5% in 2014), particularly within the transport business, where deliveries must be completed before stores open[10].

Rate of night hours

Countries	2015
France	20.3%
Spain	11.9%
Portugal	17.4%
Italy	6.3%
Belgium	18.9%
Netherlands	13.6%
Switzerland	2.5%
TOTAL	**18.6%**

There is no shift work.

Absenteeism due to illness or accident at work[11] was steady at 5%.

[6] Permanent employees (new appointments and departures)/2/workforce at 31 December 2015, including takeovers and transfers.
[7] Takeovers are included, except that of GEFA (11 full time employees).
[8] 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).
[9] The average monthly workforce in Italy was corrected for 2014 in order to correspond with the general definition.
[10] Excluding La Méridionale, because working time is governed by specific rules and shift work.
[11] 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. 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 values its employees' experience and continued its objective to fill 70% of its executive and senior positions through internal promotion.

The group has set up assistance and career management measures for its employees. Development meetings, skills assessments, job discovery courses 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 is a job board available on the intranet and online. All positions available in Europe are advertised using this medium.

Recruitment

Through its new recruitment platform www.stef.jobs, combined with general job sites, specialist sites, social networks and schools targeted for the group's activities (France, Spain, Italy, Belgium, Netherlands), STEF has opened up more than 300 positions in Europe and to date, has a pool of 12,000 people.

At 31 December 2015, over 100 young management graduates followed a 2-year training programme (Graduate Programme) to prepare for management positions in Europe.

STEF has also recruited experienced individuals in Europe into transport/logistics operation, site management, IT, sales and marketing, management control, real estate, vehicles and Human Resources roles.

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 2015, the number of training hours given in the group amounted to 174,995 hours, which is 11.4 hours per employee[12].

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;
- the Employee Development (designed for any employee with development potential whether they are handling staff or managers) and Graduate (designed for young graduates) Programmes;
- the skills of managers for a shared managerial culture;
- learning the principles and practices related to the company's culture and the "Health and Safety at Work" and "Staff Development" policies.

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 the group to date, over 20,000 hours of training have been given. Over 800 employees are currently being trained and more than 80 sites have launched the scheme. The objective is to extend this process to the "skills base" in particular by integrating digital into the strategic knowledge to be acquired. This process has a European dimension: Spain received the "Entrepreneurs et Emploi" (Entrepreneurs and Employment) award from the economic newspaper "Expansión" for this project.

Educational innovations

Professional training courses are given in the form of a personalised course, which means that they can be adapted to the needs of each employee. Furthermore, STEF has an online learning platform which allows employees to carry out their own training remotely.

Institut des Métiers du Froid (IMF)

The Institut des Métiers du Froid is the group's in-house training organisation dedicated to the transfer of professional skills to the group's employees and temporary staff. The IMF has over 140 permanent and temporary, licensed and certified trainers, who are authorised to work throughout Europe. In 2015, the IMF catered for over 2,500 trainees and gave over 38,500 hours of training.

[12] Number of training hours compared with the average monthly permanent and fixed term workforce.

Social responsibility

In 2015, a CSR division was created within the Human Resources department. This division aims to anticipate and provide responses to the social and societal challenges related to the group's environment and develop structured action plans in the resulting fields.

PROFESSIONAL DIVERSITY AND EQUALITY

STEF has incorporated the principles of non--discrimination in terms of access to employment, job fulfilment and the treatment of its employees into its group Human Resources policy, and this in all the countries where the group is present. 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 4.3% at 31 December 2015.

In France, the actions provided for in the 3rd group agreement were continued: new appointments, retention (internal ergonomic interventions especially), professional development support, employee awareness. In 2015, two sites were recognised and rewarded by the "École à l'hôpital" association through an awareness day.

Awareness initiatives been used to maintain an employment rate of 4.75%, a satisfying rate for the group's business area. The group's policy in this area has been recognised by various organisations ("F d'Or Handicap" trophy for its initiatives regarding the employability of disabled staff, recognition from Agefiph and Opcalia for the "Job Discovery Days"). The group intends to continue this policy under a 4th three-year agreement in 2016.

In other operating countries, 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 2013 has enabled each subsidiary to set up an agreement or action plan at their level. The group is developing an awareness policy for its employees on the issues of work-life balance, professional equality and even diversity at work.

Older workers

In France, specific training courses have been deployed for older workers in order to support them in their career management or prepare for retirement. A diagnosis tool has also been created to enable the subsidiaries to understand the challenges of generations.

HEALTH, SAFETY AND QUALITY OF WORK LIFE

The "Health, Safety and Quality of Work Life" procedure aims to contribute to the company's performance by improving working conditions within each subsidiary.

In 2015, actions in this area continued across all operating companies and in accordance with each one's specific features. A coordination framework has also been set up to promote the sharing of good practices.

In 2015, in France, the main priority was implementing the agreement on preventing psycho-social risks. Awareness initiatives, detailed, on-site diagnoses and individual support actions continued. Italy and Spain are also involved in this type of process.

Prevention

Prevention activities aim to anticipate, analyse and neutralise dangerous situations, in order to improve risk control. In France, 2015 saw the Prevention procedure take place through the systematic phased implementation of various tools (single risk evaluation document, safety field visits, analysis of accidents at work), methods and programmes associated with the action plans. For France (excluding Maritime), the frequency rate[13] for occupational lost-time accidents was 47 (897 lost-time accidents), the severity rate[14] was 2.6.

For the entire group, the frequency rate for occupational lost-time accidents was 47 (1,165 lost-time accidents), the severity rate was 2.4.

Ergonomics

In France, STEF began working with the professional branch to create an evaluation reference system for arduous working conditions. At the same time, ergonomic interventions were carried out (layout of working areas, packaging lines, help in designing computer tools).

Staff relations

There are legal bodies 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 transportation and logistics network committees – in addition to the legal systems of the European Works Council and group committee. These promote a rich dialogue at every relevant level of the organisation. At STEF, ongoing dialogue is the basis for staff relations. Amendments to the health care costs and insurance agreements were signed within this framework in 2015.

Employee shareholding

STEF has long made the principle of employees' investment in its capital, a unique model in its business sector. STEF staff own 16.5% of the capital through the dedicated company mutual fund (FCPE).

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 is a strong element for social cohesion.

64% of the workforce in France has shares in STEF through the FCPE. This is now being deployed in most of the countries where STEF operates.
In 2015, the employee shareholding plan was opened to Italy with real success, with 30% of Italian employees joining the plan.

[13] Frequency rate: number of occupational lost-time accidents x 1,000,000 / number of hours worked.
[14] Severity rate: number of calendar days lost for accidents at work x 1,000 / number of hours worked.

SOCIETAL COMMITMENTS

MEASURES TAKEN FOR THE HEALTH AND SAFETY OF CONSUMERS

STEF, a stakeholder in the cold chain, has an obligation to guarantee its 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 deployed through compliance audits and monitored by action plans under a certification process. 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" and "Our Districts have Talent" associations. These organisations aim 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 supports leisure activities as well as national and international competitions organised by the French Handisport Federation.

STEF cooperates with Restos du Cœur as part of a sponsorship agreement: professional integration of beneficiaries, training of volunteers, skills-based sponsorship and logistics assistance for the annual campaign and industrial donations. Nearly 15,000 pallets of food products were transported in 2015. A similar action has been developed in Spain with the Association of Manufacturers and Retailers (AECOC) to collect food and take it to the Spanish food bank's warehouses. Over 1,400 tonnes were sent under this project in 2015.

DIALOGUE WITH STAKEHOLDERS

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

The group also maintains partnerships with universities and schools in its various operating regions and countries.

PROTECTING BIODIVERSITY

STEF complies with the provisions on impact studies in terms of biodiversity, during ICPE (Facilities Classified for Environmental Protection) type construction projects, 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: communication on cleanliness at sea, educating children about the maritime environment.

CSR COMPLIANCE TABLE

Social information

A EMPLOYMENT	P.49–52
→ total workforce, breakdown of employees by sex, age and geographic area	P.49–51
→ new appointments and redundancies	P.52
→ remunerations and changes in remuneration	P.52
B WORK ORGANISATION	P.52–56
→ organisation of working time; absenteeism	P.52
→ respect for the freedom of association and the right to collective bargaining	P.57
→ elimination of discrimination in terms of employment and profession	P.55
→ elimination of forced or compulsory work; effective abolition of child labour	P.52
C STAFF RELATIONS	P.55
→ organisation of social dialogue (information and consulting procedures for personnel and negotiations)	
→ overview of collective agreements	
D HEALTH AND SAFETY	P.56
→ 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.54
→ training policy	
→ total number of training hours	
F EQUAL TREATMENT	P.55
→ measures taken for gender equality	
→ measures taken for the employment and inclusion of disabled people	
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G COMPLIANCE WITH THE PROVISIONS OF ILO CORE CONVENTIONS	P.52

Environmental information

A GENERAL ENVIRONMENTAL POLICY	P.37–47
→ 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	
→ commitments in favour of the circular economy	P.59
→ combat food waste	N/A
B POLLUTION AND WASTE MANAGEMENT	P.41–47
→ measures for prevention and reducing air, water and ground discharges seriously affecting the environment	P.41–45
→ prevention, recycling and waste disposal measures	P.46
→ consideration of noise pollution and any other form of pollution specific to an activity	P.47
C SUSTAINABLE USE OF RESOURCES	P.41–45
→ water consumption and supply according to local constraints	P.45
→ consumption of raw materials and measures to improve the efficiency of their use	P.41–44
→ energy consumption, measures taken to improve energy efficiency and the use of renewable energies	P.45
→ land use	N/A
D CLIMATE CHANGE	P.42–44
→ greenhouse gas emissions	
→ adaptation to the consequences of climate change	
E PROTECTING BIODIVERSITY	P.59
→ measures taken to protect and develop biodiversity	

Societal commitments

A TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S BUSINESS	P.59
→ 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.59
→ conditions for dialogue with these people or organisations	
→ partnership or sponsorship initiatives	
C SUBCONTRACTING AND SUPPLIERS	P.47
→ 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	
→ actions taken to prevent corruption	P.47
→ measures taken for the health and safety of consumers	P.59
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.

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[1], we hereby present our report on the consolidated social, environmental and societal information for the year ended 31 December 2015 and presented in the management report (hereafter the "CSR Information"), in accordance with Article L. 225-102-1 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);

→ to express, at the Company's request, a reasonable assurance conclusion on the fact that the information selected by the company and identified by the sign in the "ENVIRONMENT" and "SOCIAL POLICY" chapters of the management report has been established, in all material respects, in accordance with the Reference Systems used.

Our work was conducted by a team of 3 people between January and March 2016 for an approximate duration of 3 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 and the reasonable assurance report, with the international standard ISAE 3000[2].

I - Attestation of the presence of CSR Information

Based on interviews with the relevant division managers, we reviewed the presentation of the sustainable development guidelines according to 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

[1] the scope of which is available on the website www.cofrac.fr
[2] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.
[3] Social information: end of period workforce, breakdown by sex and age, staff turnover, absenteeism rate, number of training hours.
Environmental information: water consumption, electricity consumption, diesel consumption at 100 km in clean fleet, CO_2 emissions – gCO_2/tonne-kilometre, breakdown of clean fleet in accordance with the Euro Standard
Societal information: measures taken for consumer health and safety.

limits specified in the methodological note in the "Reporting methodology" paragraph in the management report.

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

II - Reasoned opinion on the fairness of the CSR Information

NATURE AND EXTENT OF THE WORKS

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

→ assess the appropriate nature of the Reference 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[3]:

→ 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[4] 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 79% of the workforce on average and between 77% and 100% of the quantitative environmental information.

[4] Social information: Head Office (Paris), STEF Iberia site (Madrid).
Environmental and societal information: Gerland site (Lyon), STEF Iberia site (Madrid).

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.

III - Reasonable assurance report on selected CSR information

NATURE AND EXTENT OF THE WORKS

Regarding the information selected by the Company and identified by the sign , we have conducted works of the same nature as those described in paragraph 2 above for the CSR information that we considered most important, but in greater detail, particularly with regards the number of tests.

The sample selected represented 79% of the workforce and between 77% and 100% of the environmental information identified by the sign .

We believe that these works allow us to express a reasonable assurance about the information selected by the Company and identified by the sign .

CONCLUSION

In our opinion, the information selected by the Company and identified by the sign has been established, in all material respects, in accordance with the Reference Systems used.

Paris La Défense, 20 April 2016
The independent third party organisation, MAZARS SAS

Emmanuelle RIGAUDIAS
CSR and Sustainable Development Associate

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 such an 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 some countries 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. 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.

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

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

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.

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 2015 amounted to 6,600 hours, 1,250 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 ongoing 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 maritime services to Corsica, via Marseille, signed with the Corsican Territorial authorities (CTC) and the Corsican Office of Transport (OTC). This concession takes the form of a joint and several partnership with the SNCM.

Since the SNCM was placed into receivership in November 2014, the Commercial Court of Marseille launched a call for tenders to take over its assets.

At the same time, in April 2015, the Bastia Administrative Tribunal ordered the termination of the PSC, effective on 1 October 2016. La Méridionale appealed this decision at the Administrative Appeal Court of Marseille.

In November 2015, the Commercial Court of Marseille decided to retain the tender for the partial takeover of SNCM's assets by Mr Rocca, with a date of entry into possession set at January 2016.

In the event that one party goes into receivership, the PSC agreement contains specific provisions ensuring the continuity of the service for a given period following which all the obligations of the PSC are temporarily assumed by the remaining party. The CTC and OTC decided to implement these provisions and authorised La Méridionale to subdelegate the share of the services previously entrusted to the SNCM to Mr Rocca under a best endeavours obligation.

The specification for a new public service concession is currently being drafted. La Méridionale believes that it has the necessary assets to satisfy the challenges of territorial continuity and public service for providing services to Corsica, in terms of both freight and passengers, based on a balanced economic plan.

Market risks

LIQUIDITY RISK

The group's cash needs are mainly provided by credit lines at parent company level. At 31 December 2015, STEF had 23 confirmed medium-term credit lines, totalling €278M. At 31 December 2015, up to €200M 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 is generally 5 years.

STEF also has spot loans totalling €32M used in totality at 31 December 2015 and overdraft agreements, with no agreed expiry dates, totalling €99M, of which 35 was used at 31 December 2015. 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 2015, 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

The group's policy is to maintain a balance between the share of its fixed rate and variable rate debt. This strategy should enable the group to take advantage of the current low interest rates while limiting the risks from a future rate rise.

At 31 December 2015, the floating rate debt component, after hedging, represented 47% 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 real estate 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 2015 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

CHANGES WITHIN THE BOARD OF DIRECTORS IN 2015

In accordance with articles L225-27-1 et seq. of the French Commercial Code, 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 ended after the Shareholders' Meeting on 20 May 2015. Mr NOUVELLET resigned his position of Director on 16 December 2015.
Mr Jean-François LAURAIN was co-opted by the Board of Directors on 28 January 2016.
On the publication date of this report, the Board of Directors comprises 14 members.

OFFICES AND POSITIONS HELD BY DIRECTORS IN 2015

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

— Chairman & CEO of the company Union Économique et Financière (UEF)
— 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)

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

Mr Jean-Michel DELALANDE,
Appointed to the Board in 2015

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), then Director from 30 April 2015, Corporate Manager of STEF Portugal-Logistica e Transportes LDA until May 2015
— 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., until April 2015, Director of STEF International Italia S.R.L (Italy) and STEF Italia S.P.A.
— Permanent representative of STEF Transport on the Board of Directors of Froid Combi, Prim@ever and GST Prim@ever
— Permanent representative of STEF on the Board of Directors of the company Immostef

Mr Alain GEORGES
Appointed to the Board in 2015

Mr Eric GIUILY
Appointed to the Board in 1992 - Term of office ended 20 May 2015

— 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 - Term of office ended 20 May 2015

— Chairman of STIM d'Orbigny
— Director of Compagnie Méridionale de Navigation

Mrs Murielle LEMOINE
Appointed to the Board in 2011

— Director of Immostef

Mr Dominique NOUVELLET
Appointed to the Board in 2003 - Term of office ended 16 December 2015

— Director of Siparex Associés, of Tuninvest Finance Group (Tunisia), of Morocco Capital Invest (Morocco) and of Beltone Financial (Luxembourg), Chairman of the Steering Committee of Euromed Capital

Allianz Vie, represented by Mr Peter ETZENBACH
Appointed to the Board in 1997

— Mr Peter ETZENBACH holds offices in the member companies of the Allianz Vie Group; permanent representative of Allianz France at the Supervisory Board of Oddo and Cie SCA

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

Mr Jean-François LAURAIN
Co-opted by the Board of Directors in January 2016, Managing Director of Unigrains, a financial company specialising in agrifood and agribusiness. He is Corporate Manager and Chairman within the Unigrains group.

The Company has adopted the Middlenext governance code. On the publication date of this report, 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, HAU and LAURAIN

OFFICES AND POSITIONS HELD BY MEMBERS OF THE EXECUTIVE MANAGEMENT IN 2015

Mr Jean-Pierre SANCIER
Chief Executive Officer

— Chairman of STEF Transport
— Director of STEF Italia Holding, STEF Logistics Italia S.R.L. until April 2015, Director of STEF Italia S.P.A.
— Director of STEF Iberia (Spain), then Chairman from May 2015
— Corporate Manager of STEF Portugal-Logistica e Transporte LDA from May 2015

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 Stanislas LEMOR
Deputy Executive Officer

— Director of STEF Transport Saintes and STEF Logistics Saintes (Belgium)
— Director of STEF Italia Holding S.R.L. and STEF Logistics Italia S.R.L., then Chairman from April 2015
— Chairman of STEF Italia S.P.A. from March 2015, Director of 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
— Director of STEF Switzerland and Prim@ever from June 2015

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 M. LEMOINE, Mr G. BOUTHILLIER and Mr P. ETZENBACH is determined in relation to the overall performance of the group and objective comparative elements.

Directors with positions within the company are remunerated under the terms of their employment contract, these include Mrs E. HENSGEN STOLLER, Key Accounts Manager of Logistique France, Mr A.GEORGES, Manager of Sustainable Development and Mr J.M. DELALANDE, Driver.

The members of the Board of Directors receive directors' attendance fees, for which the total budget was fixed at € 85,000 for each Shareholders' Meeting. An additional share of € 12,000 is reserved for Directors who are members of the Audit Committee.

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.

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, acting 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.
M. J.C. FROMAGE assisted the group with external growth operations in the search for new markets and in terms of purchasing and negotiating rolling stock.

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

(In euros)	Directors' attendance fees 2015	Remuneration Fixed 2015	Remuneration variable 2015[1]	Remuneration exceptional 2015[2]	Benefits in kind 2015
DIRECTORS					
Francis LEMOR Chairman of the Board of Directors	16,162	178,212	90,726		4,020
Bernard JOLIVET Vice-Chairman	9,161			55,000	3,058
Gilles BOUTHILLIER	2,144				
Alain BRÉAU	3,216				
Jean-Michel DELALANDE	5,360	25,376			
Elisabeth DUCOTTET	5,360				
Jean-Charles FROMAGE	21,467		62,619	142,500	
Alain GEORGES	5,360	66,919	6,033	6,800	2,423
Eric GIUILY	1,072				
Emmanuel HAU	9,162				
Estelle HENSGEN-STOLLER	5,360	50,620	8,204		2,546
Robert de LAMBILLY	3,811				
Murielle LEMOINE	8,860				
Dominique NOUVELLET	7,895				
Allianz Vie, represented by Peter ETZENBACH	5,075				
Atlantique Management represented by François de COSNAC	8,859				
EXECUTIVE MANAGEMENT					
Jean-Pierre SANCIER, Chief Executive Officer		232,992	124,817		6,900
Serge CAPITAINE, Deputy Executive Officer		196,805	106,603		5,031
Stanislas LEMOR, Deputy Executive Officer		178,139	89,069		3,042

No company officers were granted supplementary pension benefit commitments as defined under Article L137-11 of the Social Security Code.

[1] Paid in 2015 under the 2014 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 which are detailed above.

GENERAL INFORMATION

At 31 December 2015, the share capital amounted to € 13,165,649 comprising 13,165,649 shares of a nominal value of € 1.

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 taking this from € 13,515,649 to € 13,165,649.

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2015

9,465,327 shares have double voting rights under the provisions of Article 18 of the Company's articles of association.

	Shares	% capital	Theoretical voting rights	% theoretical voting theoretical	Exercisable voting rights[*]	%exercisable voting rights[*]
Atlantique Management[1]	3,998,697	30.37%	7,991,144	35.31%	7,991,144	36.77%
FCPE STEF[2]	2,172,853	16.50%	4,342,166	19.19%	4,342,166	19.98%
Société des Personnels de la Financière de l'Atlantique (S.P.F.A)[1]	1,221,239	9.29%	2,442,478	10.79%	2,442,478	11.24%
Union Économique et Financière (UEF)[3]	950,459	7.22%	1,897,965	8.39%	1,897,965	8.73%
Société Européenne de Logistique du Froid[4]	737,809	5.60%	1,475,618	6.52%	1,475,618	6.79%
Mr. Francis LEMOR[5]	63,787	0.48%	127,489	0.56%	127,489	0.59%
Sub-total – concerted action	**9,144,844**	**69.46%**	**18,276,860**	**80.76%**	**18,276,860**	**84.10%**
Treasury shares	895,521	6.80%	895,521	3.96%	0	0.00%
Other (shareholders owning less than 5% of the share capital)	3,125,284	23.74%	3,458,595	15.28%	3,458,595	15.90%
TOTAL	**13,165,649**	**100.00%**	**22,630,976**	**100.00%**	**21,735,455**	**100.00%**

[*] Excluding voting rights pertaining to shares without voting rights (treasuring shares, etc.).
[1] Limited company (SA) controlled by STEF senior executives and executives.
[2] The STEF FCPE is managed by Natixis Interépargne and brings together STEF employees.
[3] Limited company (SA) controlled by the Lemor family.
[4] SAS 51% owned by the company Union Économique et Financière with the remainder owned by STEF senior executives and executives.
[5] Chairman of the Board of Directors.

Threshold exceeded

On 28 January 2015, as a result of the reduction in STEF's share capital 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) granted Atlantique Management an exemption from the obligation to submit a proposed public offer for the STEF shares based on Articles 234-8, 234-9 6th and 234-10 of its General Regulations.

On 4 November 2015 following its acquisition of the shares in the company Atlantique Management, itself a shareholder in STEF, the company Union Économique et Financière (UEF) declared that it had indirectly exceeded the upper thresholds of 15%, 20%, 25%, 30% and 1/3 of the share capital of STEF and the thresholds of 15%, 20%, 25%, 30%, 1/3 and 50% of the voting rights of STEF. The Autorité des Marchés Financiers (AMF) granted Union Economique et Financière (UEF) an exemption from the obligation to submit a proposed public offer for the STEF shares based on Articles 234-8, 234-9 6th and 234-10 of its General Regulations.

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. This delegation expired on 14 July 2015 without being used.

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	BSAAR exercised at 20/07/2015	BSAAR cancelled at 20/07/2015	BSAAR not exercised at 20/07/2015 due date
904,976	21/07/2010	20/07/2015	51.20 €	19,059	885,023	894

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 held as treasury shares	Annual accounts at 31/12/2014	Shares acquired in 2015	Shares sold in 2015	Shares transferred in 2015	Shares cancelled in 2015	Change allocation in 2015	Annual accounts at 31/12/2015
Supporting the share price through a liquidity contract	12,163	250,332	(247,900)				14,595
Hedging of securities giving access to the attribution of shares	19,719			(18,825[1])		(894[5])	0
Hedging of attribution of shares to employees as part of the company savings plan	61,330		(3,600[3])	(4,602[2])		894[5]	54,022
Shares used for payment or exchange as part of an acquisition	650,000						650,000
Treasury shares in the process of being cancelled[4]	350,000				(350,000)		0
Others	93,904	83,000					176,904
TOTAL	**1,187,116**	**333,332**	**(251,500)**	**(23,427)**	**(350,000)**	**0**	**895,521**

[1] On exercising 18,825 share purchase warrants.
[2] When shares were attributed to employees as part of the company savings plan.
[3] On the creation of the STEF Italia FCPE.
[4] Cancellation decided on 28 January 2015 by the Board of Directors.
[5] Change in allocation decided on 16 December 2015 by the Board of Directors.

On 26 June 2015, STEF acquired 83,000 shares for an average gross amount of € 57.36 and on 27 July 2015, sold 3,600 shares for an average gross amount of 59.07 euros.

2015 SHARE REPURCHASING PLAN

In the 2015 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 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%;
- share repurchasing plan voted by the Shareholders' Meeting of 20 May 2015 under the terms of the 12th resolution : the maximum purchase price was set at € 75, 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 2015, the balance of treasury shares under the liquidity contract stood at 14,595 shares.

SHARE PRICE

Between 2 January and 31 December 2015, the share price ranged from a € 44.94 low and a € 69.50 high.

Over the same period, the daily average number of shares exchanged was 7,773. The annual average share price was € 58.80.

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

None

OUTLOOK FOR 2016

For 2016, the immediate environment in which STEF is developing looks comparable to 2015, with tensions in the food and retail sectors, low growth in expected volumes and fuel prices that look set to remain low.

The prospect of economic recovery is gradually emerging in some countries in Europe. STEF can count on this positive trend and will focus its strategy on:

- → strengthening its positioning in its core business of fresh products and looking for growth in the temperate dry food products segment;
- → the recovery of the logistics activity for chained out-of-home foodservices in France;
- → the potential for development in Northern Europe and in intra-European consignments;
- → the search for organic growth in its primary countries (France, Spain, Italy), which the group will support through a sustained real estate investment plan.

STEF will also work to strengthen the position of La Méridionale for maritime services to Corsica as part of the awarding of the new public service concession in the autumn.

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CONSOLIDATED FINANCIAL STATEMENTS

(in millions of euros)

Annual turnover	2015	2014	Change
GROUP'S OPERATIONS	**2,438**	**2,395**	**1.8%**
Third party sales*	388	370	4.8%
GROUP'S TOTAL TURNOVER	**2,826**	**2,765**	**2.2%**

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

The Group's turnover is up 2.2%, at €2,826 million, (+1.8% at constant scope).

The growth in turnover was penalised by the drop in the price of fuel. In this context, the change observed of 2.2% is still good performance, higher than the growth in the market.

The main effects on the scope concern:

→ the company GEFA, 99.97% owned by the Group since March 2015 and which accounted for €2.4 million in turnover over the period;

→ the merging of the Group's Frozen product warehousing business located in Boulogne-sur-Mer with the company Norfrigo (Le Garrec group), at the end of November 2015. This operation results in the sale of the activity of STEF to a joint-venture created for this purpose, in which the Group is a 38% shareholder. The turnover for this business represented €0.9 million in the 4th quarter 2014.

CONSOLIDATED INCOMES

(in millions of euros)

	Turnover		Operating profit	
Business segments	2015	2014	2015	2014
Transport France	1,205	1,219	58.7	50.1
Logistics France	506	486	17.9	18.4
STEF International	596	553	27.3	28.8
Maritime	109	112	7.0	5.0
Other activities	410	395	(0.8)	(0.3)
TOTAL	**2,826**	**2,765**	**110.1**	**101.9**

TRANSPORT FRANCE

In 2015, the results for Transport in France are in line with expectations, after the incorporation of Ebrex in 2014 and this, despite the drop in the price of fuel over the financial year.

LOGISTICS FRANCE

Profits for the business are carried by the dedicated logistics for supermarket companies, logistics for mass distribution of fresh products, good performance of Temperate/Dry foodstuffs and the impact of the sale of the activity to Norfrigo. On the other hand, the results of the Out-of-Home foodservice business are down.

STEF INTERNATIONAL

The international businesses confirmed their momentum in 2015, sustained by the Group's pro-active development efforts.

The change is, however, contrasted between Spain which supported costs related to the transfer of a major logistics dossier and Italy, which achieved a record operating margin of 4.5%.

Major real estate investments were made in Italy to supplement the network, in Portugal to enlarge the Porto site and in the Netherlands to create a logistics business as a complement for the transport done by Speksnijder.

MARITIME

For La Méridionale, despite the disturbances linked with the difficulties of SNCM, 2015 was a very good year in terms of passenger traffic (+6.9% between Marseille and Corsica): La Méridionale has maintained its leading position in the freight business to Corsica.

(in millions of euros)

Income	2015	2014	Change
Turnover	**2,826.2**	**2,765.3**	**2.2%**
Operating profit	**110.1**	**101.9**	**8%**
Financial income	(14.5)	(14.6)	
Profit before tax	**95.6**	**87.4**	**9.4%**
Tax expense	(23.3)	(22.9)	
Share in net profit (loss) of companies accounted for by the equity method	3.0	2.4	
Net profit (loss)	**75.3**	**66.9**	**12.6%**
- of which profit attributable to Group shareholders	75.2	65.1	15.5%
- of which profit attributable to minorities	0.1	1.8	
Earnings per share in euros (basic)	6.12	5.28	15.9%
Earnings per share in euros (diluted)	6.12	5.27	16.1%

The Group's operating profit benefited from the good results in Transport France after the incorporation of EBREX and a major contribution from the European activities.

The operating margin is up 0.2% between 2014 and 2015, at 4.5% of turnover (excluding with third party trading activity).

The continuation with the investment policy (external growth and investment in real estate assets) did not affect the Group's financial costs which is stable compared to 2014.

Tax expense is stable in terms of the amount. This expense stands at 24.4% of taxable income in 2015, compared to 26.2% in 2014 thanks to the use of loss carry-overs and to the increase in taxable income in certain European countries where the Group is subject to a lower corporate tax rate than in France.

Net earnings from associated companies increased to €3.0 million, compared with €2.4 million in 2014, due in particular to the increase in the holding percentage of the Primever group (from 33.33% to 49%).

Based on the preceding items, net profit is up 12.6% compared to 2014. This increase is 15.5% for the Group share after the refund to minority shareholders, in 2014, of the share of gains on sales made on the sale of an office building in Bordeaux.

In 2015, the Group continued its investments in its real estate assets:

→ three new sites were acquired, opened or are being built: a warehouse in Mairano near Milan, two warehouses adjacent to the Speksnijder site in Bodegraven in the Netherlands and an office building in Lyon;

→ several site extensions / renovations were finalised (Niort, Athis Mons, Mions near Lyon, Bègles, Lesquin, Porto).

This investment programme was supplemented by the acquisition of shares of GEFA at the end of March 2015, increasing the Group's holding rate from 34% to 100%.

Gearing stands at 1.08 at 31 December 2015 compared to 1.17 at the end of December 2014.

CHANGE IN SCOPE
ACQUISITIONS OF SHAREHOLDINGS IN 2015

Acquisitions, start-ups, disposals

France:

→ acquisition of 100% of the share capital of Les Frigorifiques du Périgord by IMMOSTEF and acquisition of the business of Les Entrepôts Frigorifiques Berry–Périgord by STEF Logistique Midi-Pyrénées Limousin;

→ acquisition of 65.95% of the share capital of GEFA, increasing the holdings of IMMOSTEF to 99.97%, after purchasing the 34.02% held by STEF Logistique;

→ acquisition of 15.67% of the share capital of Prim@ever (ex. Transcosatal Développement), bring the holdings of STEF Transport to 49%;

→ contribution of a complete branch of business attached to the Wimille and Boulogne sur Mer establishments, operated by STEF Logistique Nord and contribution by IMMOSTEF of the real estate assets of these sites to Norfrigo, created in 2015 and 38% owned by the Group;

→ acquisition of an additional shareholding of 5.18% in the share capital of STEF Logistique Plouénan by STEF Logistique, bring the Group's holdings to 100%;

→ liquidation of SCI Bruges Conteneurs, 51% owned and for which the real estate assets were transferred in 2014.

Italy:

→ acquisition of 80% of the share capital of SDR Sud Srl by STEF Italia Spa, bringing its holdings to 100%. Liquidation of SDR Sud Srl, following the sales of its business to STEF Italia Spa.

Portugal:

→ increase in the capital of STEF Portugal - Logistica e Tranporte, Lda, bring the holdings of STEF Iberia to 99.1%.

Internal restructuring

France:

→ universal Transmission of Assets of STEF Transport Toussieu to STEF Transport Lyon Feyzin and of STEF Transport Allonnes to STEF Transport.

Details of subsidiaries and shareholdings are shown in the notes to the consolidated financial statements (note 5).

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)

	note	2015 financial year	2014 financial year	Change
TURNOVER	**4.1**	**2,826,230**	**2,765,397**	**2.2%**
Purchases from third parties	4.2	(1,817,680)	(1,789,634)	1.6%
Taxes and related expenses		(60,957)	(61,471)	(0.8)%
Payroll expenses	4.3	(734,850)	(731,040)	0.5%
Depreciation and amortisation		(101,484)	(90,576)	12.0%
(Net charges to) net reversals of impairment and provisions	4.4	(5,603)	684	
Other operating income and expenses	4.5	4,412	8,587	
OPERATING PROFIT		**110,068**	**101,947**	**8.0%**
Financial expenses	4.6	(14,877)	(15,397)	
Financial income	4.6	408	808	
Financial income		**(14,469)**	**(14,589)**	**0.8%**
PROFIT BEFORE TAX		**95,599**	**87,358**	**9.4%**
Tax expense	4.7	(23,332)	(22,925)	
Share in net profit of companies accounted for by the equity method	4.13	3,019	2,448	
NET INCOME		**75,286**	**66,881**	**12.6%**
*** of which profit attributable to Group shareholders**		**75,186**	**65,075**	**15.5%**
* of which profit attributable to minorities		100	1,806	
EBITDA	**4.8**	**217,155**	**191,839**	**13.2%**
Earnings per share:		(in euros)	(in euros)	
- basic earnings per share:	4.20	6.12	5.28	15.9%
- diluted:	4.20	6.12	5.27	16.1%

CONSOLIDATED BALANCE SHEET

(in thousands of euros)

Assets	note	31 December 2015	31 December 2014
NON-CURRENT ASSETS			
Goodwill	4.9	134,686	132,259
Other intangible assets	4.10	22,069	27,495
Tangible fixed assets	4.11	949,950	911,944
Non-current financial assets	4.12	27,591	32,596
Investments in associated companies	4.13	23,411	16,310
Deferred tax assets	4.14	30,422	27,984
TOTAL NON-CURRENT ASSETS		**1,188,129**	**1,148,588**
CURRENT ASSETS			
Inventories and work in progress	4.15	36,372	41,152
Customers	4.16	438,281	437,797
Other receivables and current financial assets	4.17	141,280	148,402
Current tax assets		13,500	27,372
Cash and cash equivalents (a)	4.18	42,457	46,252
Assets held for sale		-	-
TOTAL CURRENT ASSETS		**671,890**	**700,975**
TOTAL ASSETS		**1,860,019**	**1,849,563**

Equity and liabilities	note	31 December 2015	31 December 2014
EQUITY			
Share capital		13,166	13,516
Share premium account		-	4,284
Reserves		479,198	419,243
Equity, Group share	**4.19**	**492,364**	**437,043**
Minority interests		2,026	3,525
TOTAL EQUITY		**494,390**	**440,568**
NON-CURRENT LIABILITIES			
Non-current provisions	4.23	37,178	32,866
Deferred tax liabilities	4.14	47,488	44,790
Non-current financial liabilities (b)	4.21	462,600	413,704
TOTAL NON-CURRENT LIABILITIES		**547,266**	**491,360**
CURRENT LIABILITIES			
Trade accounts payable		357,138	422,006
Current provisions	4.23	14,177	12,797
Other current liabilities	4.26	331,428	334,865
Current tax liabilities		796	905
Current financial liabilities (c)	4.21	114,824	147,062
Liabilities held for sale		-	-
TOTAL CURRENT LIABILITIES		**818,363**	**917,635**
TOTAL EQUITY AND LIABILITIES		**1,860,019**	**1,849,563**
Net debt (b) + (c) - (a)		534,967	514,514
Debt/equity ratio		1.08	1.17

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(in thousands of euros)

	note	2015 financial year	2014 financial year
PROFIT FOR THE PERIOD		75,286	66,881
Actuarial gains and losses on pension plans	4.22	1,273	82
Tax expense on non-recyclable items	4.14	(455)	(239)
Other items of comprehensive income, net of income tax which are not subsequently reclassified into income		**818**	**(157)**
Unrealised foreign exchange gains or losses from activities abroad		1,057	35
Effective portion of change in fair value of cash flow hedging derivatives		3,592	(7,061)
Tax expense on recyclable items	4.14	(953)	2,734
Other items of comprehensive income, net of income tax which are subsequently reclassified into income		**3,696**	**(4,292)**
COMPREHENSIVE INCOME FOR THE PERIOD		**79,800**	**62,432**
*** of which profit attributable to Group shareholders**		**79,700**	**60,626**
* of which profit attributable to minorities		100	1,806

CHANGES IN CONSOLIDATED EQUITY

(in thousands of euros)

	Share capital	Share premium account	Consoli-dated reserves	Translation reserves	Treasury shares	Fair value reserve	Equity attributable to equity shareholders of the parent company STEF	Minority interests	Total equity
Equity at 31 December 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			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**
Dividends paid			(20,973)				(20,973)	(1,301)	(22,274)
Acquisition and disposal of treasury shares					(3,541)		(3,541)		(3,541)
Cancellation operation of treasury shares	(350)	(4,284)	(11,116)		15,750		0		0
Transactions with minority interests			135				135	(298)	(163)
Total transactions with shareholders	**(350)**	**(4,284)**	**(31,954)**	**0**	**12,209**	**0**	**(24,379)**	**(1,599)**	**(25,978)**
Comprehensive income for the period	0	0	76,004	1,057		2,639	79,700	100	79,800
Equity at 31 December 2015	**13,166**	**0**	**528,315**	**694**	**(42,424)**	**(7,387)**	**492,364**	**2,026**	**494,390**

CASH FLOW STATEMENT

(in thousands of euros)

	note	2015 financial year	2014 financial year
PROFIT FOR THE PERIOD		75,286	66,881
+/- Net depreciation, amortisation, impairment of non-current assets and provisions		108,555	89,892
+/- Gains or losses from the sale of non-current assets	4.5	565	(6,428)
+/- Share in net profit (loss) of associated companies	4.13	(3,019)	(2,448)
+/- Change in market value of derivatives		(49)	0
+/- Change in unrealised foreign exchange gains or losses		0	448
+/- Other income and expenses, generating no change in cash	4.14	0	0
- Deferred tax		(4,072)	1,354
CASH FLOW FROM OPERATIONS (A)		177,266	**149,699**
+/- Change in working capital (B)		(31,975)	(12,504)
NET CASH FROM OPERATING ACTIVITIES (C) = (A+B)		**145,291**	**137,195**
- Cash used in acquiring intangible assets	4.10	(5,939)	(8,634)
- Cash used in acquiring tangible fixed assets	4.11	(137,180)	(125,226)
+/- Change in granted loans and advances + financial assets		(4,907)	(7,194)
- Deferred payments related to the acquisition of fixed assets		(601)	(1,202)
- Proceeds and cash used in the acquisition and sale of subsidiaries net of acquired cash (**)		(6,798)	(3,010)
+ Proceeds from sale of tangible and intangible fixed assets		14,042	15,642
+ Dividends received from equity instruments		1,319	927
NET CASH FROM INVESTMENT ACTIVITIES (D)		**(140,064)**	**(128,697)**
+/- Acquisition and disposal of treasury shares		(3,541)	(28,133)
- Dividends paid to STEF shareholders		(20,973)	(19,438)
- Dividends paid to minority shareholders		(1,892)	(2,077)
+ Proceeds from new borrowings		120,390	143,786
- Repayment of borrowings		(107,420)	(94,983)
NET CASH FROM FINANCING ACTIVITIES (E)		**(13,436)**	**(845)**
Net cash position at beginning of period*		15,381	7,728
Net cash position at end of period*		7,171	15,381
= CHANGE IN NET CASH POSITION (C+D+E) (*)		**(8,210)**	**7,653**

Net cash positions at the balance sheet dates are as follows: *	2015 financial year	2014 financial year
Cash and cash equivalents	42,457	46,252
Bank overdrafts and spot loans	(35,286)	(30,871)
	7,171	**15,381**
Cost of acquiring financial assets of purchased companies	(10,683)	(6,350)
Acquired cash	3,885	3,340
Net cash paid out	**(6,798)**	**(3,010)**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2015

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 17 March 2016. They shall only be finalised once they have been approved by the Shareholders' Meeting to be held on 18 May 2016. 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 2015 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 2015.

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 2014.

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 2015:

→ amendment IFRS 3;

→ amendment IFRS 13;

→ amendment IFRS 19.

These amendments do not affect the Group's consolidated financial statements at 31 December 2015.

→ Interpretation of IFRIC 21 "Taxes levied by a public authority".

Since 1 January 2015, the Group has been applying the interpretation IFRIC 21 relative to the levies operated by the public authorities. IFRIC 21 stipulates the date of recognition of a liability in terms of a tax, other than income tax, specifying that the generating event of the obligation that this liability creates is the activity that makes the tax payable, such as provided for in the legal or regulatory provisions.

The due dates for the different taxes of the group have been reviewed according to the criteria defined in IFRIC 21.

This review has resulted in modifying, retrospectively, the methods for recognising the following two taxes:

→ modification of the recognition date of the liability representing the company social solidarity contribution (C3S) in France that was recognised as the sales forming the base were generated while the interpretation of IFRIC 21 leads to recognising the liability and its related expense, for their entire amount, on 1 January of the following financial period, i.e. when the tax becomes payable;

→ modification in the rate of recognition of the liability representing the amounts owed in terms of property taxes. This liability until now was recognised on a time prorata basis over the year payable. The application of the provisions of IFRIC 21 impose a recognition of the liability for its full amount on 1 January of this same year. This modification affects the Group's French and European companies.

This restatement was not applied to the consolidate financial statements closed on 31 December 2014 as it does not have a significant impact.

A number of standards, amendments to standards and interpretations adopted by the European Union in 2015 were not in force for the year which closed on 31 December 2015, and have not therefore been applied in the preparation of the consolidated financial statements. This entails in particular amendments to IFRS11, IAS27, IAS16 and IAS38.

The group has not opted for the early application of the following standards and interpretations for which application is mandatory after 31 December 2015:

→ standards adopted by the European Union:
- amendments of IAS 19: defined benefit plans: contributions of the personnel;
- annual improvements 2010-2012 of IFRS (December 2013);
- amendment of IAS 1: initiative concerning the information to be provided;
- annual improvements 2012-2014 of IFRS (September 2014);
- amendments of IFRS 11: recognition of acquisitions of holdings in joint ventures;
- amendments of IAS 16 and of IAS 38: clarification of acceptable methods for depreciation and amortisation.

→ standards not adopted by the European Union:
- IFRS 9 – financial instruments;
- IFRS 15 – revenue from contracts with customers;
- IFRS 16 – leases;
- amendments of IFRS 10 and of IAS 28: sale or contribution of assets between an investor and an associate or joint venture;
- amendments of IFRS 10, IFRS 12 and of IAS 28: investment entities: application of the exception to consolidation;
- amendments of IAS 12: recognition of deferred tax assets on unrealized losses.

The effects of the application of IFRS 9 on financial instruments starting on 1 January 2018, of the application of IFRS 16 concerning finance leases starting on 1 January 2019 and of IFRS 15 concerning income from ordinary activities starting on 1 January 2018, will be analysed in 2016.

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 and 4.11);

→ qualification of finance leases (Note 2.17);

→ valuation of identifiable assets and liabilities acquired as part of business combinations (Note 3.2);

→ recognition of deferred tax assets (Notes 2.10 and 4.14);

→ valuation of staff benefits (note 2.11).

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 appreciation of the existence of the control is based on the voting rights that the Group has. 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 consolidated entities are fully cancelled. Intra-group profits realised on the sale of assets are also cancelled, as are intra-group losses. The existence of intra-group losses is an indication of depreciation.

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.

During the transition to IFRS, the Group chose to not restate business combinations prior to 1 January 2004. For these business combinations, the goodwill corresponds to the amounts recognised according to the Group's prior 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 subsequently 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
Equipment for transport	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 an eligible asset are incorporated into the cost of the asset. Eligible 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 equity instruments, the fair value of which cannot be determined with certainty, are valued at cost, less, where appropriate, the accumulated subsequent depreciation.

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, except for the Maritime CGU for which the value of the vessels are determined by experts. 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 2015, compared with (6% in 2014).

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 2015, 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 INVESTMENT GRANTS

Investment grants are assistance received from the public authorities to contribute to the financing of certain investments. In accordance with the option offered by IAS 20, the group has opted to present investment grants as a deduction to the cost of the fixed assets financed, which has the effect of reducing the depreciation bases and depreciation and amortisation.

2.17 FINANCE LEASES

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

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

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

2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 NON-ACCOUNTING INDICATORS

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

- EBITDA: this indicator is equal to the operating profit before depreciation and amortisation of fixed assets, impairment of fixed assets including the loss in value of intangible items, allocations to/(reversals of) provisions and negative goodwill;
- Net debt: this indicator is equal to the total current and non-current financial liabilities, less cash and cash equivalents.

NOTE 3 SCOPE OF CONSOLIDATION

3.1 CHANGE IN SCOPE

	Subsidiaries	Associated companies	Total
Number of companies at 31 December 2014	**224**	**9**	**233**
Acquisition of Frigorifiques du Périgord	1		
Acquisition of additional GEFA shares	1	-1	
Creation of the JV Norfrigo		1	
Liquidation SDR Sud		-1	
Liquidation SCI Bruges	-1		
TUP STEF Transport Toussieu	-1		
TUP STEF Transport Allonnes	-1		
Number of companies at 31 December 2015	**223**	**8**	**231**

3.2 CHANGES IN 2015

3.2.1 ACQUISITIONS, START-UPS

The Group acquired:

- at the end of February, on the one hand 100% of the shares of Les Frigorifiques du Périgord and on the other hand a related activity of cold storage at Thenon;
- at the end of March, 65.95% of the shares of GEFA, of which the Group has already held 34.02%. This company is fully consolidated in the consolidated financial statements at 99.97% starting on 1 April 2015;
- after having acquired in April 80% of the shares of the Italian subsidiary SDR SUD and transferring its business to STEF Italia, the group liquidated it at the end of the year.

The impact of these two operations is detailed below:

Names of acquired entities	FRIGORIFIQUES DU PÉRIGORD	GEFA
Business activity	Movable and immovable property management	Cold storage
Location	THENON (France)	CLERMONT-FERRAND (France)
Acquisition date	27 February 2015	1 April 2015
Percentage of acquired equity instruments conferring voting rights	100.00%	99.97%
	in thousands of euros	in thousands of euros
Cost of the combination paid in cash	€1,843 K	€11,791 K
Fair value of acquired assets and assumed liabilities	(€1,275 K)	(€9,929 K)
Goodwill (Profit on acquisition)	€568 K	€1,862 K
	from 01/01 to 31/12/2015	from 01/04 to 31/12/2015
Turnover	€316 K	€2,382 K
Operating profit	€33 K	€557 K

- at the end of November, the Group decided to partner with Cerragel (Le Garrec group) by merging the Frozen product warehousing businesses of each one at Boulogne-sur-Mer. This operation resulted in a transfer of real estate assets and activities to a joint-venture created for the occasion, called NORFRIGO of which the Group holds 37.65% of the share capital. This entity of consolidated using the equity method. on this occasion, a capital gain outside the Group was recognised for €4.7 million (note 4.5).

3.2.2 ACQUISITION OF MINORITY INTERESTS

In June, the Group acquired 5.18% of STEF LOGISTIQUE PLOUÉNAN which brings its holdings in the capital of this company to 100%.

In December, a capital increase for STEF Portugal of €5 million, not followed by the minorities, caused the dilution of the latter. The Group now holds 99.1% of the share capital.

3.2.3 SALES, LIQUIDATIONS, UNIVERSAL TRANSMISSION OF ASSETS (TUP)

At the end of June, SCI Bruges, 51% owned by the Group and for which the real estate assets had been sold in 2014, was liquidated.

At the end of August, STEF Transport Toussieu underwent a Universal Transmission of Assets in STEF Transport Lyon Feyzin.

At the end of December, STEF Transport Allonnes underwent a Universal Transmission of Assets in STEF Transport.

3.2.4 RISE IN CAPITAL

In May, the Group increased its holdings in its subsidiary Primever through the acquisition of additional shares, increasing its holdings in the share capital from 33.33% to 49% of the capital.

3.3 CHANGES IN 2014 (REMINDER)

3.3.1 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 2014, the Group acquired all the share capital in the Dutch group SPEKSNIJDER comprising three companies. The 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 temperature-controlled logistics	
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 thousands of euros	
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

3.3.2 ACQUISITION OF MINORITY INTERESTS

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

3.3.3 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.

3.3.4 EBREX'S GOODWILL

The Group definitively defined 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.

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 is assessed by the executive management based on their operating profit or loss.

4.1.1 INFORMATION BY SEGMENT

2015	Transport	Logistics	International activities	Maritime	Others	Consolidated data
Turnover from activities	1,204,749	505,813	596,283	108,991	410,394	2,826,230
Profit (loss) from recurring operations	**58,592**	**14,039**	**27,400**	**6,803**	**(1,178)**	**105,656**
Other operating income and expenses	85	3,884	(87)	176	354	4,412
Operating profit (loss) of activities	**58,677**	**17,923**	**27,313**	**6,979**	**(824)**	**110,068**
Net financial expenses	(3,169)	(2,129)	(3,418)	(6,473)	720	(14,469)
Income tax	(16,584)	(5,538)	(4,811)	(81)	3,682	(23,332)
Profit attributable to shareholders of associated companies	0	(72)	224	0	2,867	3,019
NET INCOME						**75,286**
Activities' assets	712,220	447,720	492,751	158,190	49,137	1,860,019
Unallocated assets						-
Total assets						**1,860,019**
of which goodwill	85,754	3,646	35,616	8,128	1,542	134,686
of which associated companies	698	8,646	2,540	0	11,527	23,411
Activities' liabilities	371,041	210,520	196,228	27,423	(17,007)	788,205
Unallocated liabilities and equity						1,071,814
Total liabilities						**1,860,019**
Depreciation, amortisation recorded in the financial year	37,358	23,063	20,105	8,466	12,492	101,484

2014	Transport	Logistics	International activities	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**
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 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 recorded in the financial year	29,363	19,491	18,549	10,374	12,800	90,576

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

	France	Other regions	Consolidated data
2015			
Turnover	2,164,918	661,312	2,826,230
Areas' non-current assets	873,422	314,707	1,188,129
2014			
Turnover	2,161,743	603,654	2,765,397
Areas' non-current assets	856,375	292,213	1,148,588

4.2 PURCHASES FROM THIRD PARTIES

	2015	2014
Purchases other than energy (including catering goods)	425,484	403,052
Purchases of diesel and other fuels	114,214	140,206
Purchases of other energy	45,690	44,647
Subcontracting	802,300	781,281
Rent and lease expenses	75,332	82,095
Maintenance	80,010	70,304
External staff and intermediaries' wages and salaries	156,111	153,255
Insurance and losses	50,656	52,251
External services and miscellaneous	67,883	62,544
TOTAL	**1,817,680**	**1,789,634**

Subcontracting mainly includes chartering and traction expenses linked to transport activities. Purchases from third parties include in 2015, the impact over 12 months of Speksnijder (4 months in 2014).

The drop in the price of fuel over the financial period allowed the Group to reduce these expenses for diesel by €26 million.

4.3 PAYROLL EXPENSES

	2015	2014
Salaries and other compensation	505,384	506,174
Social security contributions	206,312	206,520
Net length-of-service awards payable to staff on retirement	2,852	1,120
Employee incentive bonuses and profit-sharing	20,302	17,226
TOTAL	**734,850**	**731,040**

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 €18.6 million in 2015 (€18.5 million in 2014).

4.4 CHARGES NET OF REVERSALS TO PROVISIONS

	2015	2014
Depreciations of inventories	8	(11)
Depreciations of trade accounts receivable	(555)	1,051
Impairment of other financial assets	(136)	(1,521)
Net changes in provisions	(4,920)	1,165
TOTAL	**(5,603)**	**684**

Changes in provisions are analysed in Note 4.23.

4.5 OTHER OPERATING INCOME AND EXPENSES

	2015	2014
Gains on fixed asset sales	3,774	2,877
Gains or losses on sales of shares	4	1,817
Gains on sales of other tangible fixed assets	814	1,339
Allowances and tax relief	(221)	2,583
Miscellaneous	41	(29)
TOTAL	**4,412**	**8,587**

The net capital real estate gains or losses in 2015 include in particular the sale of the real estate sites linked to the NORFRIGO operation for €4million and capital losses on the sale of the ex-EBREX sites.

The net capital gains or losses in 2014 include in particular the sale of the real estate site of Bruges (Gironde) for €2.8 million and the sale of shares in English companies for €1.8 million.

4.6 FINANCIAL INCOME AND EXPENSES

	2015	2014
Financial income		
Net income from assets held for sale	394	709
Dividends received from assets held for sale	14	99
Financial expenses		
Interest expenses on financial liabilities measured at amortised cost	(14,913)	(15,397)
Ineffective portion of hedging instruments	36	
TOTAL	**(14,469)**	**(14,589)**

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

The financial income benefited from lower rates (Euribor 3M at 0.02% on average in 2015 compared with 0.21% in 2014) despite the increased in the Group's financing needs following real estate investments.

4.7 INCOME TAX EXPENSE

Breakdown of the income tax expense in the income statement

	2015	2014
Current tax expense		
- Tax of 3% on dividends	(629)	(583)
- Others	(26,775)	(20,697)
Current tax expense subtotal	(27,404)	(21,280)
Deferred tax expense/income	4,072	(1,645)
TOTAL	**(23,332)**	**(22,925)**

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

	2015	2014
Profit before tax	95,599	87,358
Current tax rate	38.00%	38.00%
Theoretical tax	(36,328)	(33,196)
Income from CICE not subject to tax	7,094	7,030
Impact of the profits from the maritime business subject to tonnage tax	173	1,297
Fiscal effect of the financing of the Piana	1,033	1,613
Losses not giving rise to deferred tax assets	2,219	(422)
Deficits activated in the period	1,459	
Difference in foreign tax rates	1,419	1,928
Tax of 3% on dividends	(629)	(583)
Other permanent differences	227	(592)
Effective tax	**(23,332)**	**(22,925)**
EFFECTIVE RATE OF TAX	**24.4%**	**26.2%**

4.8 EBITDA

	2015	2014
Operating profit	110,068	101,947
Net Depreciation/amortisation	101,484	90,576
Net impairment and provisions	5,603	(684)
TOTAL	**217,155**	**191,839**

4.9 GOODWILL

	2015	2014
Net value at 1 January	132,259	131,561
Acquisition of subsidiaries and businesses	2,427	698
Sale of subsidiaries		-
Impairment		
NET VALUE AT 31 DECEMBER	**134,686**	**132,259**

In 2015, the acquisitions of subsidiary and businesses comprised of:

- → the provisional goodwill released on the acquisition of "Les Frigorifiques du Périgord" for €0.6 million;
- → the provisional goodwill released by the acquisition of GEFA for €1.9 million.

Impairment tests were performed at the 2015 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 activities	Maritime
Discount rate	7.5%	7.5%	7.5%	7.5%
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 regards to the Maritime CGU, the value in use is historically determined by the sum, on the one hand of the discounted flows at the end of the PSC and on the other hand by the market value as determined by experts used as residual value. Due to the end of the PSC at the end of 2016, most of the value is comprised by the market value of the vessels at 31 December 2015.

Breakdown of goodwill by sector (in thousands of euros)

	Transport	Logistics	Maritime	International activities	Others	Total
Goodwill and intangible assets with an indeterminate useful life	99,263	4,518	8,478	36,960	7,536	156,755

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	7.5%	to	8.5%

Test results

The discount rate that would give recoverable values equal to the net book values is 19%.

in millions of euros	Margin of resistance to change in rates	
31/12/2015	of growth (decrease of 1pt)	of discount (rise of 1pt)
Transport	743	710
Logistics	251	236
Maritime	71	71
International activities	393	373
TOTAL	**1,458**	**1,390**

4.10 INTANGIBLE FIXED ASSETS

Gross values	Software	Other intangible assets	Total
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**
Acquisitions	5,363	576	5,939
Changes in scope	49		49
Other changes	2,952	(1,593)	1,359
Sales and scrapped goods	(2,476)	(353)	(2,829)
At 31 December 2015	**117,919**	**22,021**	**139,940**

Amortisation and depreciation	Software	Other intangible assets	Total
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**
Allocations	9,946	1,182	11,128
Changes in scope	49		49
Other movements	1,276	(31)	1,245
Reversals and sales	(2,477)	(1)	(2,478)
At 31 December 2015	**105,197**	**12,674**	**117,871**
Net book value at 31 December 2014	**15,628**	**11,867**	**27,495**
Net book value at 31 December 2015	**12,722**	**9,347**	**22,069**

4.11 TANGIBLE FIXED ASSETS

Gross values	Land and buildings	Equipment for transport	Vessels	Others	Total
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**
Acquisitions	51,893	18,407	3,413	57,075	130,788
Changes in scope	12,047			5,634	17,681
Sales and scrapped goods	(27,034)	(4,886)	(43)	(11,290)	(43,253)
Other changes	31,270	214		(28,089)	3,395
At 31 December 2015	**1,063,435**	**115,211**	**311,915**	**505,954**	**1,996,515**

Amortisation and depreciation	Land and buildings	Equipment for transport	Vessels	Others	Total
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**
Increases	44,446	9,384	8,238	28,319	90,387
Changes in scope	1,987			2,385	4,372
Sales and scrapped goods	(14,498)	(3,816)	(43)	(13,206)	(31,563)
Other changes	1,510	156		5,743	7,409
At 31 December 2015	**430,250**	**83,330**	**209,835**	**323,150**	**1,046,565**
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**
Net book value at 31 December 2015	**633,185**	**31,881**	**102,080**	**182,804**	**949,950**
non-current assets held for sale*					0
non-current assets	**633,185**	**31,881**	**102,080**	**182,804**	**949,950**

* This item includes a vessel reserved for sale (signed in September 2015) for which the net book value is zero at 31 December 2015.

In 2014, the changes in scope primarily included fixed assets from the acquisition of the SPEKSNIJDER companies. In 2015, this was the assets of GEFA and of Frigorifiques du Périgord.

In addition, the net book values given include fixed assets under construction for the amount of €26,217 thousand (compared with €32,908 thousand at 31 December 2014).

Firm orders for tangible fixed assets at 31 December 2015, not yet executed, amounted to €23,037 thousand (compared with €37,408 thousand at 31 December 2014).

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

	31 December 2015	31 December 2014
Vehicles	2,841	4,177
Technical installations	1,126	2,422
Platforms and warehouses	98,625	107,303
Attached land	31,516	33,048
TOTAL	**134,108**	**146,950**

4.12 NON-CURRENT FINANCIAL ASSETS

	31 December 2015	31 December 2014
Non-consolidated shareholdings	2,897	6,813
Loans and receivables	23,655	20,167
Other non-current financial assets	1,039	5,616
TOTAL	**27,591**	**32,596**

The variation in unconsolidated holdings concern the sale of capitalised shares over the financial period.

Loans and receivables mainly comprise loans paid under the employers' contribution to construction investments for the amount of €18,689 thousand in 2015 (€14,248 thousand in 2014).

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:

2015	Attributable to Group shareholders	Total turnover	Total assets	Total liabilities	Company's net assets	Group's share in turnover of equity-accounted associates	Net profit (loss)	Net profit (loss) attributable to Group
BRIGANTINE DE NAVIGATION (1)	100.00%		2	(2)	4	4	(1)	(1)
FROIDCOMBI	25.50%	16,839		(2,382)	2,382	607	1,016	259
MESSAGERIES LAITIÈRES	38.69%	71,918	41,560	25,940	15,620	7,372	2,869	1,110
OLANO SEAFOOD IBERICA	32.00%	27,331	12,172	7,468	4,704	1,851	519	166
OLANO VALENCIA	20.00%			(1,341)	1,341	689	135	27
SDR SUD(2)	20.00%			(1,937)	1,937	-	155	31
STEFOVER TUNISIE	49.00%	214	267	115	152	132	(39)	(19)
GROUPE PRIMEVER	49.00%	103,213	62,957	55,996	6,961	4,109	3,100	1,519
NORFRIGO	37.65%			(30,605)	30,605	8,646	(194)	(73)
TOTAL		**219,515**	**116,958**	**53,252**	**63,706**	**23,411**	**7,560**	**3,019**

(1) Company with no business or in administration
(2) Liquidated company

2014	Attributable to Group shareholders	Total turnover	Total assets	Total liabilities	Company's net assets	Group's share in turnover of equity-accounted associates	Net profit (loss)	Net profit (loss) attributable to Group
BRIGANTINE DE NAVIGATION (1)	100.00%		8	3	5	5	(3)	(3)
FROIDCOMBI	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 IBERICA	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

The Group is not a stakeholder in any joint venture.

GEFA is fully consolidated at 99.97% starting in 2015.

4.14 DEFERRED TAX ASSETS AND LIABILITIES

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

2015	At 1 January 2015	Changes in profit and loss	Other changes	Changes in net comprehensive income	31 December 2015
Deferred tax assets					
Net deferred tax from parent company accounts	733	(85)	252	(49)	851
Temporary tax differences	4,707	1,413	468		6,588
Discounting of loans to construction	2,821	(1,072)			1,749
IAS 19 R actuarial gains	2,529			(455)	2,074
Application of IFRIC 21 on C3S expenses		566			566
Fair value of hedging instruments	5,987	35	(152)	(904)	4,966
Loss carryforwards	4,114	1,026			5,140
Capitalised internal services	2,198	124			2,322
Internal profit	535	16			551
Exercise of finance leases	4,172	775	(9)		4,938
Leaseback	59	(30)			29
Pension provisions	331	385			716
Others	(202)	71	63		(68)
TOTAL DEFERRED TAX ASSETS	**27,984**	**3,224**	**622**	**(1,408)**	**30,422**
Deferred tax liabilities					
Additional depreciation	(17,071)	(1,710)	(353)		(19,134)
Difference in tangible fixed assets depreciation.	(512)	312			(200)
Fixed assets held under finance leases	(18,176)	1,062	(556)		(17,670)
Revaluation of fixed assets	(6,453)	965	(2,600)		(8,088)
Treasury share transactions	(39)	39			0
OBSAARs	47	26			73
Merger tax	(2,686)	277			(2,409)
Goodwill	30	(6)	(37)		(13)
Others	70	(117)			(47)
TOTAL DEFERRED TAX LIABILITIES	**(44,790)**	**848**	**(3,546)**	**0**	**(47,488)**
Net impact	**(16,806)**	**4,072**	**(2,924)**	**(1,408)**	**(17,066)**

2014	At 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
Others	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)
Goodwill	15	185		(170)	30
Others	70				70
TOTAL DEFERRED TAX LIABILITIES	**(45,228)**	**581**	**27**	**(170)**	**(44,790)**
Deferred taxation of sold assets	(227)		227		0
Net impact	**(18,045)**	**(1,354)**	**267**	**2,326**	**(16,806)**

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 €27 million at the end of 2015, primarily in France. In 2014, these loss carryforwards represented €40 million, including €26 million in France and €10 million in Italy.

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

2015	France	Belgium	Spain	Italy	Portugal	Group total
Deferred tax	(18,636)	(1,457)	803	2,108	116	(17,066)

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

4.15 INVENTORIES

	31 December 2015	31 December 2014
Raw materials and supplies	16,589	17,805
Foodservice goods	19,669	22,757
Others	145	629
Total	**36,403**	**41,191**
Impairment	(31)	(39)
TOTAL	**36,372**	**41,152**

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

4.16 CUSTOMERS

	31 December 2015	31 December 2014
Gross amount of trade receivables	451,192	450,177
Impairment	(12,911)	(12,380)
TOTAL	**438,281**	**437,797**

Changes in depreciation in the trade receivables recognised in the income statement for 2015 and 2014 are referred to in Note 4.4. There are no significant trade receivables in the sense of IFRS 8.

4.17 OTHER ACCOUNTS PAYABLE

	31 December 2015	31 December 2014
Advances and deposits received	31,374	30,075
Social charges	2,189	5,936
Tax expenses excluding corporate tax	64,621	73,903
Active current accounts	3,859	2,963
Prepayments under assets	8,121	10,329
Other accounts payable	31,116	25,196
TOTAL	**141,280**	**148,402**

4.18 CASH AND CASH EQUIVALENTS

	31 December 2015	31 December 2014
Marketable securities and investments	3,461	318
Cash assets	38,996	45,934
TOTAL	**42,457**	**46,252**

The increase in marketable securities comes from a financial asset portfolio held by GEFA, company added in 2015.

4.19 EQUITY

The number of shares comprising the share capital is 13,165,649 shares with a nominal value of €1 at 31 December 2015 compared to 13,515,649 shares at 31 December 2014. This change is explained by the cancellation of 350,000 treasury shares, decided by the Board of Directors of 28 January 2015.

The Board of Directors meeting on 17 March 2016 set the dividend to be paid for the 2015 financial year at €1.95 per share (€1.70 for the 2014 financial year). This dividend is not recognised in the 2015 consolidated financial statements and will constitute a Company liability if approved by the Shareholders' Meeting.

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

4.20 EARNINGS PER SHARE

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

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

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

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

	2015 financial year	2014 financial year
GROUP SHARE PROFIT	**75,186**	**65,075**
Number of shares comprising share capital at 31 December (a)	13,165,649	13,515,649
Number of treasury shares at the end of the financial year (b)	895,521	1,187,116
Weighting of financial year's treasury share movements (c)	24,335	
Weighted average number of shares in the financial year for calculating the non-diluted earnings (a) – (b) + (c)	**12,294,463**	**12,328,533**
Number of BSAARs at 31 December		19,719
Weighting of financial year's BSAAR movements	(9,506)	
Weighted average number of shares used for calculating the diluted earnings per share	**12,284,957**	**12,348,252**
Earnings per share in euros		
- Non-diluted	6.12	5.28
- Diluted	6.12	5.27

Details on the movements on dilutive instruments are provided in note 4.24.

4.21 FINANCIAL LIABILITIES

	31 December 2015	31 December 2014
Non-current financial liabilities		
Bank borrowings and drawdowns of confirmed lines of credit of more than one year	406,378	345,498
Liabilities associated with finance leases	45,337	54,149
Fair value of financial derivatives	10,885	14,057
TOTAL NON-CURRENT DEBTS	**462,600**	**413,704**
Current financial liabilities		
Portion at less than one year of:		
- Bank loans and spot lines of credit	62,509	95,473
- Liabilities associated with finance leases	10,205	11,750
- Other miscellaneous financial liabilities	2,237	3,925
Fair value of financial derivatives	4,587	5,043
Bank overdrafts and short-term loans	35,286	30,871
TOTAL CURRENT DEBTS	**114,824**	**147,062**
TOTAL	**577,424**	**560,766**

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 4.25.

The maturities of financial liabilities at 31 December 2015 and 31 December 2014 are shown below:

2015	Total	Less than one year	Maturities of more than one and less than five years	Over 5 years
Bank borrowings and drawdowns (including fair value of derivatives)	484,359	67,096	324,714	92,549
Finance leases	55,542	10,205	36,706	8,631
Bank overdrafts	35,286	35,286		
Miscellaneous financial liabilities	2,237	2,237		
TOTAL	**577,424**	**114,824**	**361,420**	**101,180**

2014	Total	Less than one year	Maturities of more than one and less than five years	Over 5 years
Bank borrowings and drawdowns (including fair value of derivatives)	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		
TOTAL	**560,766**	**147,062**	**302,845**	**110,859**

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

4.22 STAFF BENEFITS

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

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

	31 December 2015	31 December 2014
Length-of-service awards payable on retirement		
Actuarial liability	46,705	46,073
Hedge assets	(28,929)	(28,252)
subtotal Length-of-service awards payable on retirement	17,776	17,821
Long-service awards	9,380	9,154
TOTAL	**27,156**	**26,975**

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

	2015	2014
Amount at 1 January	17,821	19,510
Expenses for the year	2,852	1,120
Change in actuarial gains	(1,202)	(25)
(Premiums paid) / payments received from insurance companies	168	269
Benefits paid	(1,863)	(3,052)
Amount at 31 December	**17,776**	**17,821**

Change in actuarial liability

	2015	2014
Amount at 1 January	46,073	47,202
Projected actuarial liability at 31 December	47,062	47,361
Plan amendment Cold storage	0	(2,091)
Actuarial gains related to:		
- demographic assumptions	0	0
- financial assumptions	(949)	1,101
- experience adjustments	592	(298)
Amount at 31 December	**46,705**	**46,073**

The payment schedule for theoretical benefits is as follows:

Years	2016	2017	2018	2019	2020
Payment of theoretical benefits	1,762	1,631	1,894	2,140	2,497

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 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**
Financial income for 2015	845
Repayments on services received of funds	(168)
Fair value of ring-fenced assets at 31 December 2015	**28,929**

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 2015	31 December 2014
Discount rate	2.00%	1.75%
Forecast rate of increase of workforce	2 or 2.5%	2 or 2.5%
Forecast rate of return of ring-fenced funds	3%	3%
Retirement age	58 – 62 years of age	58 – 62 years of age
Mortality table	TGH 05 and TGF 05	TGH 05 and TGF 05

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

A sensitivity test was performed with discount rates differing by 0.25% compared to the above rates. This results in a decrease in the commitment of 2.7% or an increase of 2.8% depending on whether the discount-rate increments are added or subtracted.

4.23 PROVISIONS

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

	31 December 2015	31 December 2014
Length-of-service awards payable on retirement (cf. note 4.22)	17,776	17,821
Long-service awards	9,380	9,154
Dispute provisions	13,232	12,764
Other provisions	10,967	5,924
TOTAL	**51,355**	**45,663**

The change in the provisions for risks and expenses can be explained primarily by:

- provisions for dismantling costs of real estate assets for €1.6 million;
- non-recurring expenses related to site restructuring for €2 million.

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

	Long-service awards	Disputes	Others	Total
At 1 January 2015	**9,154**	**12,764**	**5,924**	**27,842**
Changes in scope			624	624
Other changes	(4)		(2)	(6)
Allocations	947	11,243	6,133	18,323
Reversals	(717)	(10,777)	(1,711)	(13,205)
At 31 December 2015	**9,380**	**13,230**	**10,968**	**33,578**
Non-current	9,380	2,861		12,241
Current	0	10,369	10,968	21,337
At 31 December 2015	**9,380**	**13,230**	**10,968**	**33,578**
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**

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.

4.24 DILUTIVE INSTRUMENTS

	31 December 2015	31 December 2014
	Number	Number
Number of options existing at the beginning of the financial year	19,719	19,905
BSAAR options exercised in the year	19,719	186
Options exercised under the repurchase offer of 11-2013	-	-
Number of options existing at the end of the financial year	**-**	**19,719**

4.25 FINANCIAL RISK MANAGEMENT

Customer credit risk

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

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 partly at a variable rate and partly at a fixed rate.

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

	2015		2014	
	Fixed rates	Floating rates	Fixed rates	Floating rates
Bond issues			-	-
Bank loans	268,075	200,812	288,840	152,132
Liabilities associated with finance leases	35,614	19,928	40,500	25,398
Miscellaneous financial liabilities	2,237	15,472	3,925	19,100
Bank overdrafts and short-term loans		35,286	-	30,871
Total financial liabilities net of hedges	**305,926**	**271,498**	**333,265**	**227,501**

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, 25 swaps were contracted between 2007 and 2015, totalling a hedged notional amount of €243 million at 31 December 2015. 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 swaps cover part of the lease debt for an amount of €6 million. Moreover, an interest rate swap hedges the financing of the Torrejon platform for a notional principal amount of €7 million over a residual period of 5 years.

In Italy, the subsidiary STEF ITALIA contracted an interest rate swap to hedge the Tavazzano platform for a notional principal amount of €8 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 about €3 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 nearly €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.

	Impact on profit and loss		Impact on comprehensive income	
(-) Debit / (+) Credit	Rise of 50 bps	Fall of 50 bps	Rise of 50 bps	Fall of 50 bps
Floating rate interest charges on assets/liabilities	1,280	(1,280)		
Change in fair value of derivatives			4,295	(4,409)
Net impact	**1,280**	**(1,280)**	**4,295**	**(4,409)**

Balance sheet exposure to rate risk at 31 December 2015

	Current		Non-current	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Interest bearing financial liabilities*	9,351	100,885	28,014	423,701
Other financial assets			(24,694)	(2,897)
Cash and cash equivalents		(42,457)		
Net exposure before taking account of derivatives	**9,351**	**58,428**	**3,320**	**420,804**
Derivatives	21,067	(21,067)	247,494	(247,494)
Net exposure after taking account of derivatives	**30,418**	**37,361**	**250,814**	**173,310**
* Excluding market value of derivatives				
Other non-current financial assets				
Non-consolidated shareholdings				2,897
Loans and receivables			23,655	
Others			1,039	

Exchange rate risk

Most of the flows outside the Eurozone concern Switzerland, where the business represents less than 1% of the Group's turnover. In this scope, the income and associated costs are mostly accounted for in Swiss francs, which limits the impact of a change in the exchange rate €/CHF on the Group's results.

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 2015, STEF had 23 confirmed medium-term credit lines, totalling €278 million. At 31 December 2015, up to €200 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 €32 million, fully used at 31 December 2015 and overdraft agreements, with no agreed expiry dates, totalling €99 million, of which €35 million was used at 31 December 2015. 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 2015, 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:

	2015	Terms of contractual cash flows		
	Book value	Less than one year	More than one and less than five years	Over 5 years
Bank loans	468,887	62,509	314,984	91,394
Finance leases	55,542	10,205	36,706	8,631
Bank overdrafts	35,286	35,286	-	-
Derivative financial liabilities	15,472	4,587	9,729	1,155
Miscellaneous financial liabilities	2,237	2,237	-	-
Sub-total of financial liabilities	**577,424**	**114,824**	**361,420**	**101,180**
Trade accounts payable	357,138	357,138		
Other current liabilities	332,224	332,224		
Total	**1,266,786**	**804,186**	**361,420**	**101,180**

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

	Balance sheet value 31/12/2015	Fair value through the income statement	Assets available for sale	Loans and receivables	Assets not qualified as financial
Unconsolidated equity instruments	347		347		
Other non-current financial assets	8,462			8,462	
Loans and receivables from financial activities	18,689			18,689	
Marketable securities	93		93		
Sub-total: non-current financial assets	**27,591**	**-**	**440**	**27,151**	**-**
Customers	438,281			438,281	
Other accounts receivable	154,780			154,780	
Cash and cash equivalents	42,457	42,457		-	
Assets	**663,109**	**42,457**	**440**	**620,212**	**-**

	Balance sheet value 31/12/2015	Fair value through the income statement	Debts measured at amortised cost	Derivatives qualified as hedges	Liabilities not qualified as financial
Non-current financial liabilities	15,472			15,472	
Debts from financial activities	526,666		471,124		55,542
Current financial liabilities	35,286		35,286		
Sub-total: Financial liabilities	**577,424**	**-**	**506,410**	**15,472**	**55,542**
Trade accounts payable	357,138		357,138		
Other accounts payable	332,224		332,224		
Liabilities	**1,266,786**	**-**	**1,195,772**	**15,472**	**55,542**

	Balance sheet value 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**	**-**

	Balance sheet value 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**

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 2015

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		440	
Cash and cash equivalents		42,457	
Assets	**-**	**42,897**	
Derivatives		15,472	
Liabilities		**15,472**	

Derivatives portfolio at 31 December 2015	Fair value	on assets	on liabilities	Effective portion recorded in net comprehensive income for the period	Nominal hedged	Average maturity	Reference rate
Swaps	(15,472)	0	(15,472)	3,592	268,603	3-4 years of age	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.

4.26 OTHER LIABILITIES

	31 December 2015	31 December 2014
Advances and deposits paid	31,740	31,886
Social debt	169,311	162,773
Tax debt	94,681	103,633
Deferred income	14,958	13,115
Current accounts in debit	1,917	2,012
Debt on holdings	5,543	5,874
Debt on asset acquisitions	6,211	12,603
Other liabilities	7,067	2,969
TOTAL	**331,428**	**334,865**

4.27 OPERATING LEASES

Rents reported under operating leases on real estate, transport equipment and other equipment increased in 2015 to €75,771 thousand (€81,813 thousand in 2014).

4.28 OPERATIONS WITH RELATED PARTIES

Related parties with regard to STEF are associated companies, STEF's Directors and senior executives. The shareholding structures of managers and senior executives are also in this position, as well as employee investment funds which, acting together, control 84.7% 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:

	2015	2014
Salaries and wages	1,514,546	1,620,675
Directors' attendance fees	118,324	111,028
TOTAL	**1,632,870**	**1,731,703**
Short-term benefits	1,632,870	1,395,501
Post-employment benefits	-	336,202
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 2015				Transactions for the year	
	Customers	Trade accounts payable	Long-term loans	Current account	Sales of goods and services	Purchases of goods and services
Brigantine de Navigation[1]				1		
Groupe Primever	245	(236)			1,640	(7,059)
Froid Combi						
Messageries Laitières	3,191	(1)	2,459	2,469	28,152	(54)
Olano Seafood Iberica						
Olano Valencia	7					
Stefover Tunisie					4	

	Balances at 31 December 2014				Transactions for the year	
	Customers	Trade accounts payable	Long-term loans	Current account	Sales of goods and services	Purchases of goods and services
Brigantine de Navigation[1]				4		
Groupe Primever	155	(103)			1,276	(20)
Froid Combi						
Messageries Laitières	3,435	(12)	2,457	2,253	27,539	(69)
Olano Seafood Iberica						
Olano Valencia	26					
Stefover Tunisie					4	

(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 2015 and 2014 between the Group and the shareholding structures of managers and senior executives and employee investment funds.

4.29 CAPITAL MANAGEMENT

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

4.30 STATUTORY AUDITOR'S FEES

	Mazars				KPMG			
	Amounts		%		Amounts		%	
AUDIT	2015	2014	2015	2014	2015	2014	2015	2014
I) Statutory auditors, certification, review of individual and consolidated financial statements	805	819	92%	96%	751	734	100%	100%
a) Issuer	106	103	12%	12%	153	148	20%	20%
b) Fully consolidated subsidiaries	699	716	80%	84%	598	586	80%	80%
II) Other procedures and services directly related to the duties of the statutory auditor	69	37	8%	4%			0%	0%
a) Issuer	21	21	2%	2%			0%	0%
b) Fully consolidated subsidiaries	48	16	5%	2%			0%	0%
Subtotal	**874**	**856**	**100%**	**100%**	**751**	**734**	**100%**	**100%**
OTHER SERVICES								
Other services provided by the networks to the fully consolidated subsidiaries								
a) Legal, fiscal, social								
b) Others								
Subtotal	**0**	**0**	**0%**	**0%**	**0**	**0**	**0%**	**0%**
TOTAL	**874**	**856**	**100%**	**100%**	**751**	**734**	**100%**	**100%**

Fees for other firms amounted to €154 thousand for 2015.

4.31 CONTINGENT LIABILITIES

As part of its normal activities, the Group may be a defendant in litigation and disputes. It recognises a provision each time an unfavourable outcome is considered likely to result in an outflow of resources of which the amount can be reliably estimated. At 31 December 2015 and 31 December 2014, there was no litigation or dispute likely to have a significant impact on the Group's financial situation and future results.

4.32 PUBLIC SERVICE CONCESSION AGREEMENT

STEF's maritime business is primarily conducted through La Méridionale, 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. This authorised La Méridionale to operate three ro-ro mixed passenger and cargo vessels under the territorial continuity principle.

In a ruling of 7 April 2015, the administrative court of Bastia terminated the Public Service Concession agreement (PSC) between Corsica and the continent granted to the group of companies La Méridionale and SNCM by the Corsican authorities (CTC) which covered the period from 1 January 2014 to 31 December 2023. Termination will take effect starting on 1 October 2016.

On 6 January 2016, CMN signed with M. Rocca, who took over SNCM renamed MCM, a sub-concession agreement for service to Corsica.

4.33 EVENTS SUBSEQUENT TO YEAR-END CLOSING

None.

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:

Company STEF S.A. (Parent)	Percentage of control	
	31 December 2015	31 December 2014
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%
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	100%	95%
STEF Switzerland	99%	99%
STEF Nederland (Netherlands)	100%	100%
Speksnijder Transport BV and its subsidiaries:	100%	100%
Speksnijder Bodegraven	100%	100%
Speksnijder Transport DHZ BV	100%	100%
Société des Glacières et frigorifiques de St Nazaire (SGN) and its subsidiary:	100%	100%
SNC Loudéac Froid	100%	100%
Immostef and its subsidiaries:	100%	100%
Frigaurice	100%	100%
Frigorifiques du Périgord	100%	-
GEFA	100%	34%
Normandie Souchet	100%	100%
SCI BV 18	100%	100%

Company STEF-S.A. (Parent)	Percentage of control	
	31 December 2015	31 December 2014
SCI des Vallions	100%	100%
SCI Fresh 5	100%	100%
SCI Fresh 7	100%	100%
SCI Immo	100%	100%
SCI Immotrans 42	100%	100%
SCI PPI 45	100%	100%
SNC Adour Cap de Gascogne	100%	100%
SNC Agen Champs de Lassalle	100%	100%
SNC Allonnes Entrepôts	100%	100%
SNC Atton Logistique	100%	100%
SNC Bondoufle la Haie Fleurie	100%	100%
SNC Brignais Charvolin	100%	100%
SNC Burnhaupt les Mulhouse	100%	100%
SNC Carros la Manda	100%	100%
SNC Cavaillon le Castanie	100%	100%
SNC Cergy Frais	100%	100%
SNC Cergy Froid	100%	100%
SNC de la Vesvroise	100%	100%
SNC Donzenac Entrepôts	100%	100%
SNC Donzenac la Maleyrie	100%	100%
SNC France Plateformes	100%	100%
SNC Gap Plan de Lardier	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 Le Mans Faraday (ex FIM)	100%	100%
SNC Les Essarts Sainte-Florence	100%	100%
SNC Louverne Les Guicherons	100%	100%
SNC Mâcon Est Replonges	100%	100%
SNC Mions La Perrinnière	100%	100%
SNC Plan d'Orgon-sur-Durance	100%	100%
SNC Reims La Pompelle	100%	100%

Company STEF-S.A. (Parent)	Percentage of control 31 December 2015	Percentage of control 31 December 2014
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%
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%	100%
STEF Logistique Montsoult	100%	100%
STEF Logistique Moulins-Les-Metz	100%	100%
STEF Logistique Nemours	100%	100%

Company STEF-S.A. (Parent)	Percentage of control 31 December 2015	Percentage of control 31 December 2014
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%
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 Montsoult	100%	100%
STEF TSA Rhône-Alpes	100%	100%
Stim d'Orbigny and its subsidiaries:	100%	100%
Atlantique Développement	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%
STEF Logistique Salon de Provence	100%	100%
Immotrans 35	100%	100%
STEF Eurofrischfracht	100%	100%
STEF International Strasbourg	100%	100%

Company STEF-S.A. (Parent)	Percentage of control	
	31 December 2015	31 December 2014
STEF International Strasbourg	100%	100%
STEF International Ouest	100%	100%
STEF International Lyon	100%	100%
STEF International Bordeaux	100%	100%
STEF Logistique Caen	100%	100%
STEF Logistique Vannes	100%	100%
STEF Transport Agen	100%	100%
STEF Transport Allonnes	-	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 Limoges	100%	100%
STEF Transport Lorient	100%	100%

Company STEF-S.A. (Parent)	Percentage of control	
	31 December 2015	31 December 2014
STEF Transport Lyon	100%	100%
STEF Transport Lyon Est	100%	100%
STEF Transport Mâcon	100%	100%
STEF Transport Marseille	100%	100%
STEF Transport Metz	100%	100%
STEF Transport Metz Nord	100%	100%
STEF Transport Montpellier	100%	100%
STEF Transport Mulhouse	100%	100%
STEF Transport Nantes Carquefou	100%	100%
STEF Transport Narbonne	100%	100%
STEF Transport Niort 1-La Crèche	100%	100%
STEF Transport Niort 2-La Crèche	100%	100%
STEF Transport Orléans	100%	100%
STEF Transport Paris Athis	100%	100%
STEF Transport Paris Plessis Belleville	100%	100%
STEF Transport Paris Rungis	100%	100%
STEF Transport Paris Vitry	100%	100%
STEF Transport Epinal	100%	100%
STEF Transport Plan d'Orgon	100%	100%
STEF Transport Quimper	100%	100%
STEF Transport Reims	100%	100%
STEF Transport Rennes	100%	100%
STEF Transport Rennes Chantepie	100%	100%
STEF Transport Rethel	100%	100%
STEF Transport Rouen	100%	100%
STEF Transport Saint-Amand	100%	100%
STEF Transport Saint-Brieuc	100%	100%
STEF Logistics Saintes (Belgium)	100%	100%
STEF Transport Saint-Sever	100%	100%
STEF Transport Strasbourg	100%	100%
STEF Transport Tarbes	100%	100%
STEF Transport Toulouse	100%	100%
STEF Transport Tours	100%	100%

	Percentage of control	
Company STEF-S.A. (Parent)	31 December 2015	31 December 2014
STEF Transport Toussieu	-	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%
Tradimar Bordeaux	100%	100%
Transport Frigorifique Normandie	100%	100%
Transports Frigorifiques des Alpes (TFA)	100%	100%
Transports Frigorifiques Spadis and its subsidiary:	100%	100%
STEF Transport St-Etienne	100%	100%
STEF Italia Holding and its subsidiaries:	100%	100%
STEF Logistics Italia Srl	100%	100%
Immostef Italia (49% owned by Immostef France)	100%	100%
STEF Italia SpA and its subsidiaries:	100%	100%
Calabria Dist Log	51%	51%
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	99%	90%
Immostef España and its subsidiary:	100%	100%
Friomerk and its subsidiary:	100%	100%
Euromerk	100%	100%

	Percentage of control	
EQUITY-ACCOUNTED ASSOCIATES	31 December 2015	31 December 2014
Shareholding of STEF SA		
Société Brigantine de Navigation(1)	100%	100%
Shareholdings of STEF Transport		
Froidcombi	25%	25%
Messageries Laitières	39%	39%
Olano Valencia (Spain)	20%	20%
Stefover Tunisie (subsidiary of Stefover)	49%	49%
Groupe Primever (ex Transcosatal Développement)	49%	33%
Olano Seafood Iberica	32%	32%
Shareholdings of STEF Logistique		
GEFA	-	34%
Shareholdings of STEF Italia Spa		
SDR Sud Srl	-	20%
Shareholdings of Immostef		
Norfrigo	38%	-

(1) Company with no business or in administration.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

Shareholders,

In accordance with the assignment entrusted to us by your Shareholders' Meeting, we hereby present our report for the year ended 31 December 2015, 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, as well as note 4.32 which refers to a receivable due to the Group's maritime subsidiary. 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, 20 April 2016

The Statutory Auditors

KPMG Audit IS	MAZARS
Benoît Lebrun	Olivier Thireau
Associate	Associate

RESULTS OF THE PARENT COMPANY

The company STEF, solely a holding company, comprises the Group functional divisions and owns all buildings, machinery and equipment leased to the Group's operational companies. Turnover, comprising revenue from leases and services provided within the Group, amounted to €13.4 million, compared to €14.3 million in 2014, following additional invoicing of property taxes in 2014. Income attributable to third parties, reversals of impairment and other income accounted for €41.3 million compared with €36.9 million for 2014. This mainly comprises Group expenses billed to the Group's subsidiaries.

Financial income, mainly comprising revenue from shareholdings amounted to €25.9 million compared to €34.1 million in 2014. The change in financial income over the financial year is primarily explained by the drop in the dividends paid by subsidiaries. Related interest, financial income and expenses represented a net expense of €4.3 million, compared with €4.4 million in 2014.

Financial expenses include a provision of €0.9 million for a financial commitment related to the financing of the Piana vessel.

Exceptional items amounted to €2.4 million – compared with €0.1 million in 2014. Exceptional items in particular includes tax relief on the wage tax.

In 2015, the Company posted a tax saving of €4.3 million (STEF is the parent of the tax group), compared with €7.2 million for 2014. 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 €23.2 million, compared with €29.5 million in 2014.

PROPOSED APPROPRIATION OF THE RESULTS FOR THE FINANCIAL YEAR

Net profit for the year €23,207,531

Retained earnings €67,601,859

GIVING A TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION OF €90,809,390

Proposed appropriation:

Payment of a dividend of €1.95 per share

which is a total theoretical dividend payment of €25,673,015.55

Retained earnings of €65,136,374.45

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 25 May 2016.

DIVIDENDS PAID OUT IN RESPECT OF THE PAST THREE FINANCIAL YEARS

Financial year	Number of shares	Dividend paid per share[a]
2012	13,515,649	1.45
2013	13,515,649	1.50
2014	13,165,649	1.70

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

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

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

REGULATED AGREEMENTS

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

RESEARCH AND DEVELOPMENT

Innovative projects primarily 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 the chapter on sustainable development) and the development of the Group's central information system.

In terms of the research tax credit for 2015, the STEF Group has retained two sociological study projects that make it possible to better apprehend the social and company environment in which the employees move about. The expenses incurred for this item were €80 K.

STEF TRADE ACCOUNTS SCHEDULE BY DUE DATE (IN €)

Balance of Trade Accounts Payable	Total	due	due date: between 1 and 31 days	between 32 and 61 days	beyond
31.12.2015	4,931,357	1,204,529	3,593,769	131,058	2,001
31.12.2014	6,822,965	2,668,139	3,664,026	490,800	0

CHAIRMAN'S REPORT ON THE BOARD OF DIRECTORS' ACTIVITIES AND INTERNAL CONTROL

2015 FINANCIAL YEAR

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.

1 I. PRINCIPLE 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 14 members, one of whom represents employee shareholders and two of whom represent the employees.

Changes in the composition of the latest Board of Directors in 2015 and until the date this report was established:

Members of the Board	Type of change	Effective date
Jean-Michel DELALANDE	First designation - Director representing employees	28 January 2015
Alain GEORGES	First designation - Director representing employees	28 January 2015
Eric GIUILY	End of term	20 May 2015
Robert de LAMBILLY	End of term	20 May 2015
Dominique NOUVELLET	Resignation	16 December 2015
Jean-François LAURAIN	First appointment – Independent director	28 January 2016

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

The company governance code that the company refers to it the Middlenext code. The Board of Directors believed that the Middlenext Code offered governance principles better suited to STEF's size and capital structure.

Independent directors: on the data of this report, 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, Hau and Laurain.

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.

Preparation and organisation of the Board of Directors' activities

1. Organisation of the Board of Directors' Activities

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

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

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

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

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

The attendance rate of Directors at Board meetings in 2015 was 90.5%, in 2014 it was 88.5%.

2. Board of Directors' Activities

The Board of Directors met five times in 2015.

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

on the date of the report, the Audit Committee is comprised of three members: Mr Hau, Mr Jolivet and Mr Etzenbach. Mr Hau, independent director, 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 effectiveness of the checks performed on identified risks.

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. 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 generally meets three times a year, with an attendance rate of 89% in 2015.

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

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

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

2. Company Officers Remuneration Committee.

The Remuneration Committee is comprised of three members: Mme Lemoine, Mr Bouthillier and Mr Etzenbach.

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.

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 17 and 18 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.

2 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. 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, out-of-home foodservices and the supermarket companies activity, the European Activities division (STEF International) encompasses activities outside France. Finally, the Maritime division mainly comprises the Southern division.

Two centres of expertise ensure cross-segment operations: the IT systems centre (STEF Information and Technologies) includes the computer teams working on business and customer IT and the Real Estate centre (Immostef) manages all the real estate, operating and lease assets and liabilities.

Operational-type functions are generally decentralised, with a region/site pyramidal structure, each site or group of sites is represented by a subsidiary.

Conversely, the support functions, including human resources, administration, governance and finance are centralised.

2. Internal control bodies

The organisation of internal control is based on a distribution of roles and responsibilities between the following bodies:

Executive Committee

The Executive Committee establishes the strategic directions and the Group's medium- and long-term prospects. It ensures that the goals are achieved.

The Executive Committee is the main decision-making and arbitration body within the Group, especially with regard to investments.

Comprising 11 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.

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 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.

The European Activities division is organised in clusters: Italy-Switzerland / Spain-Portugal and Benelux, each managed by an Executive Management member.

Moreover, an operations management committee regularly brings together the members of the Executive Committee, Group Business Units and the directors of the operating subsidiaries outside France.

This organisation enables to ensure consistency when communicating the Group's 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).

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 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 French companies and draws up the Group's consolidated financial statements.

This division was set up to support the Group's growth and to structure and standardise the accounting treatment of transactions and meet the requirements relating to the application of IFRS and legislative and regulatory developments.

The organisation in place is based on regional accounting centres run by accountants who perform the tasks to prepare the financial statements for the companies in their scope. Consequently, the Group has the required contacts to ensure the consistency of the accounting treatment of transactions across all its activities.

These regional accounting centres also ensure the optimisation of upstream and downstream information flows to avoid double entries and breaks, as well as providing a good separation of tasks.

The Accounting division, at Head Office, draws up specific directives to ensure this function's effectiveness, through procedures and working group meetings.

This Group-wide organisation strengthens the independence of the accounting function in relation to the operational divisions.

Internal Audit

The purpose of Internal Audit is to assist executive management in the process of controlling the risks associated with the Group's operations. In this framework, Internal Audit:

→ assesses risk management and internal control procedures;

→ verifies the implementing of policies drawn up by the executive management within the different subsidiaries and Group-wide functions;

→ ensures the compliance of operations vis-à-vis external and internal obligations (laws, regulations, recommendations, instructions and procedures, etc.);

→ makes recommendations for the improvement of procedures;

→ ensures their implementation, monitors their application and reports to executive management on the progress of action plans.

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.

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.

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. The investment programme must be validated by the Executive Committee and by the Executive Management.

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.

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. Annual results are updated throughout the year.

Financial reporting is produced in the second half of each month and is systematically communicated to Executive Committee members in the form of a management chart comprising the key monthly operational and financial indicators.

Each month the Executive Committee analyses the data from the reporting.

In addition, every month the Group's financial information is sent to the members of the Board of Directors, in the form of monthly and cumulative data.

Compliance with laws and regulations – Ethical charter – Sustainable purchasing charter

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 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 role of the Legal department is to implement these principles.

Moreover, the STEF Group has deployed its own Ethical charter. This document brings together the basic principles and the rules of conduct that apply to all of the Group's employees in the working environment, everywhere in Europe.

The Ethical charter defines the method for the relations that Executive Management wants to maintain in the company in order to ensure good internal cohesion and sustainable relations with all of its partners. A Sustainable purchasing charter has also been deployed with the Group's suppliers.

Management of insurable risks and insurance programmes

STEF centralises the management of its insurance and risk hedging policy. The Group Insurance department establishes the guidelines, in cooperation with the executive management relays the insurance policy in a structured and consistent way within the Group, throughout Europe. 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. Maritime risks, life and credit insurance covered by the divisions concerned.

The Insurance department participates in the risk audit. Furthermore, a standardised policy for real-estate risk prevention is deployed at the Group level, 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 and the High Environmental Quality (HEQ) guidelines specific to refrigerated storage.

Safety of persons

In the framework of Health and Safety at Work (HSW), the Group 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.

Audits are carried out in accordance with the programme established with the Executive Management and the Audit Committee. As part of its tasks, the Internal Audit conducts compliance reviews and control operations on the security and performance of business organisations, support functions or Group processes.

In 2015, 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 aiming to enhance a reference system for each type of risk, identifying the 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 2015 financial year.

Internal Audit also tries to produce a specific fraud risk map so as to identify, within the Group, risk areas, assess the internal control system and propose, if necessary, specific actions in order to reinforce it.

The Chairman

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH L.225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY STEF S.A.

Year ended 31 December 2015

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 2015.

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, 20 April 2016

The Statutory Auditors

KPMG Audit IS	MAZARS
Benoît Lebrun	Olivier Thireau
Associate	Associate

CONTACTS

Stanislas LEMOR - Deputy Executive Officer - Chief Financial Officer

Marie-Line PESQUIDOUX – General Secretary

www.stef.com

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Coordination: STEF Company Secretary – Marie-Line Pesquidoux
and Marketing and Communication division – Luc Abraham

Public limited company with share capital of € 13,165,649
Head office: 93, boulevard Malesherbes, 75008 Paris
999 990 005 RCS PARIS

Tel: +33 1 40 74 28 28 - Fax : +33 1 45 63 97 33

www.stef.com