ID LOGISTICS

/// PRESS RELEASE

2015 Annual Results:
Solid achievements and continued development

- **2015 revenues increased 6.4% to €930.8 million**
- **Underlying Operating Income totalled €39.9 million, or 4.3% of revenues, a slight decrease from 2014, as expected, due to start-up costs for certain major contracts**
- **Net income - Group share increased sharply (up 18.3%) to €21.3 million**
- **Strong acceleration in debt reduction opening the way to new targeted acquisition opportunities**

Cavaillon, 22 March 2016 – The Board of Directors of ID Logistics, a leading group in contract logistics, reviewed the financial statements for financial year 2015.

Commenting on the Group's performance, Eric Hémar, Chairman and CEO of ID Logistics, commented: *"For ID Logistics, 2015 marked another year of solid growth, despite major volatility in the currency markets at the end of the year, in particular in Brazil, Argentina and Russia. Our operating margin was down slightly during the financial year due to substantial start-up costs, especially outside France. At the beginning of 2016, we are maintaining our excellent sales momentum in all our priority markets, and particularly in e-commerce; we have adapted our organisation accordingly. Our accelerated debt reduction profile is giving us a significant level of financial capacity enabling us to consider new acquisitions."*

(in millions of euros)	**2015**	**2014**	**Change**
Revenues	930.8	874.5	+6.4%
Underlying Operating Income	39.9	41.6	-4.1%
% of revenues	*4.3%*	*4.8%*	*-50 bp*
Operating Income	39.4	36.9	+6.8%
% of revenues	*4.2%*	*4.2%*	
Net income - Group share	21.3	18.0	+18.3%
% of revenues	*2.3%*	*2.1%*	*+20 bp*
Net debt	14.5	55.5	
Shareholders' equity	130.7	107.5	

REVENUES INCREASED IN 2015

In 2015, ID Logistics posted **€930.8 million** of revenues, a **6.4%** increase over the prior financial year. In a market that remained buoyant overall at the global level, but with the major emerging markets facing a tougher environment since the beginning of the 4th quarter of 2015, the Group continued to enjoy revenue growth of + **7.2% on a like-for-like basis.**

In France, revenues totalled €**517.1 million, up 3.9%** compared to 2014. The increase was attributable to the low number of contract start-ups until the 2nd semester of the year with new contracts signed at year-end, and which are due to launch in 2016.

International revenues totalled €413.7 million, increasing by +**9.8%** over 2014 and up **11.5% on a like-for-like basis.** The international business continues to show a dynamic, but mixed level of activity, with economic and political uncertainty in major emerging markets (Brazil, China and Russia) weighing on overall business climate and projects of certain clients. In contrast in Europe, thanks to better visibility, clients are increasing invitations to tender for innovative industrial projects.

Group revenues generated by international activities rose to 44% and markets outside Europe accounted for 23%.

SLIGHT DECREASE IN UNDERLYING OPERATING MARGIN AS EXPECTED

Underlying operating income totalled **€39.9 million** (compared to €41.6 million in 2014), and **underlying operating margin** was **4.3%** (compared to 4.8% in 2014 and 4.3% in 2013).

In **France**, **underlying operating margin** strongly increased at **6.2%** and u**nderlying operating income reached €32.2 million**. This increase can be explained by the increase in productivity on sites launched at the beginning of 2014, in particular the former CEPL sites acquired mid-2013, and the lack of new project start-ups between June 2014 and June 2015.

International underlying operating income decreased from €14.4 million in 2014 to €7.7 million in 2015, and margin decreased from 3.8% to 1.9%. Unlike the profitability pattern in France, the lower underlying operating margin on international markets was attributable to the effect of numerous start-ups which took place in 2015, to tougher macroeconomic conditions in some of the major emerging markets at year-end, and to a negative currency impact which resulted in a charge of €1 million on income and of -20bp on margin.

STRONG IMPROVEMENT IN NET INCOME

In the absence of non-recurring expenses (unlike 2014) and thanks to tight control of financing costs, net income Group share rose sharply by 18.3% to €21.3 million, a significant improvement over the prior-year level.

FINANCIAL STRUCTURE STRENGTHENED

In 2015, ID Logistics further decreased its net financial debt to a low €14.5 million at end of 2015 compared to €55.5 million in the previous year. The Group benefited from property disposals for an amount of €28.6 million and relating to the sale of 3 warehouses owned by ex-CEPL in accordance with the Group's "asset-light" strategy. In addition, cash from operations and tight management of working capital enabled it to compensate for the CICE effect (Tax credit scheme) which will be collected as from 2017 and the increase of capex for new sites on the 2015-2016 period.

This positive management of financial debt profile has enabled to see the Group its gearing ratio decline from 52% in 2014 to 11% in 2015, and a net financial debt/EBITDA ratio improve from 0.9x in 2014 to 0.2x in 2015. This ratio is 13 times lower now, in less than three years after the CEPL acquisition in July 2013.

ORGANISATIONAL CHANGES

As announced on January 8, the Group has decided to separate the Group executive management and France executive management functions, and to set up an independent executive management for France. As a result, Bertrand Jungling has been promoted to the position of Managing Director, France, with responsibility for operations and Group customer relations.

This new organisation intends to give additional resources to accelerate the Group's international development by strengthening local country units, decentralised and more standardised in terms of operating processes. This will allow the Group to maintain close proximity to its clients while responding to more complex demands.

OUTLOOK

Backed by a strong baseline market trend of outsourcing of logistics services in all its major markets, ID Logistics expects to see further growth in activity in 2016. More volatile economic situations outside Europe could also lead to new business opportunities.

The Group aims at gradually improving its operating performance in 2016, thanks to a tight control on start-up costs at numerous new sites which will be opening this year.

Considerably deleveraged, ID Logistics is very well positioned to further grow by organic growth thanks to innovative technological solutions. In the meantime, the Group intends to seize relevant external growth opportunities, in Europe in priority, that will allow it to further accelerate its development in Europe.

NEXT RELEASE

Release of 1st quarter 2016 revenues after markets close on 25 April 2016.

ABOUT ID LOGISTICS

ID Logistics is an international contract logistics group, with revenue of €930 million in 2015. ID Logistics has close to 200 sites across 14 countries, representing close to 4 million square meters of warehousing facilities in Europe, Latin America, Asia and Africa, and 13,000 employees. With a client portfolio balanced between retail, industry, detail picking and e-commerce sectors, ID Logistics delivers high-tech solutions and is firmly committed to sustainable development. ID Logistics is listed on Compartment B of NYSE Euronext's regulated market in Paris (ISIN Code: FR0010929125). The Group is managed by Eric Hémar.

CONTACTS

ID Logistics
Yann Perot
Chief Financial Officer
Tel: + 33 (0)4 32 52 97 11
yperot@id-logistics.com

Publicis Consultants
Robert Amady

Tel: +33 (0)1 44 82 46 31
robert.amady@consultants.publicis.fr

APPENDIX

(€ m)	31/12/2015	31/12/2014	*Change*
Revenues	**930.8**	**874.5**	*+6.4%*
France	517.1	497.6	*+3.9%*
International	413.7	376.9	*+9.8%*
Underlying operating income	**39.9**	**41.6**	*-4.1%*
France	32.2	27.2	*+18,4%*
International	7.7	14.4	*-46.5%*
Depreciation of customer relationships acquired	(0.5)	(0.5)	
Non-recurring expenses	-	(4.2)	
Operating income	**39.4**	**36.9**	***+6.9%***
Net financial income / (expense)	(6.0)	(6.8)	
Income tax	(10.2)	(11.5)	
Share of income of associates	0.3	(0.0)	
Consolidated Net income	**23.5**	**18.6**	***+26.3%***
Net income Group share	21.3	18.0	*+18.3%*