

# Annual Results

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for 2009



Paris - 10 March 2010

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While the company believes its targets are reasonable, readers are reminded that said targets are subject to risks and uncertainties, notably as described in the "Risk factors" section of the annual "Document de Référence" registration document.

## Meeting agenda



- Introduction  
François Bertreau, Chief Executive Officer
- Transport presentation  
Hervé Montjotin, Managing Director
- Logistics presentation  
François Bertreau
- Consolidated financial statements  
Patrick Bataillard, Chief Financial Officer
- Outlook  
François Bertreau

2009 key facts

François BERTREAU



## The crisis spread to most economic sectors in 2009

- Our customers' business volumes declined
  - Markedly in H1
  - With relative stabilisation in H2
  
- The impact was more severe in manufacturing sectors
  - More factory closures
    - Throughout the month of August
    - From 15 December

## Against this backdrop, the group demonstrated its capacity for resilience and adaptation

- The reputation of the Norbert Dentressangle brand and its strong marketing presence among customers helped limit the decrease in revenue
- Operating profit showed strong resilience thanks to fast cost adaptation
- Capex was rigorously controlled
- Debt was sharply reduced

## Key 2009 figures



	2009	2008	% change
<b>Revenue</b>	€2,719m	€3,107m	(12.5%)
<b>Recurring operating profit</b>	€87.9m	€78.9m	+11%
<b>Operating profit before goodwill and goodwill impairment (EBITA)</b>	€80.4m	€98.2m	(18%)
<b>Income before tax</b>	€50.9m	€59.7m	(15%)
<b>Net income</b>	€85.7m	€42.4m	NS




## Fundamentals that prove effective in times of crisis

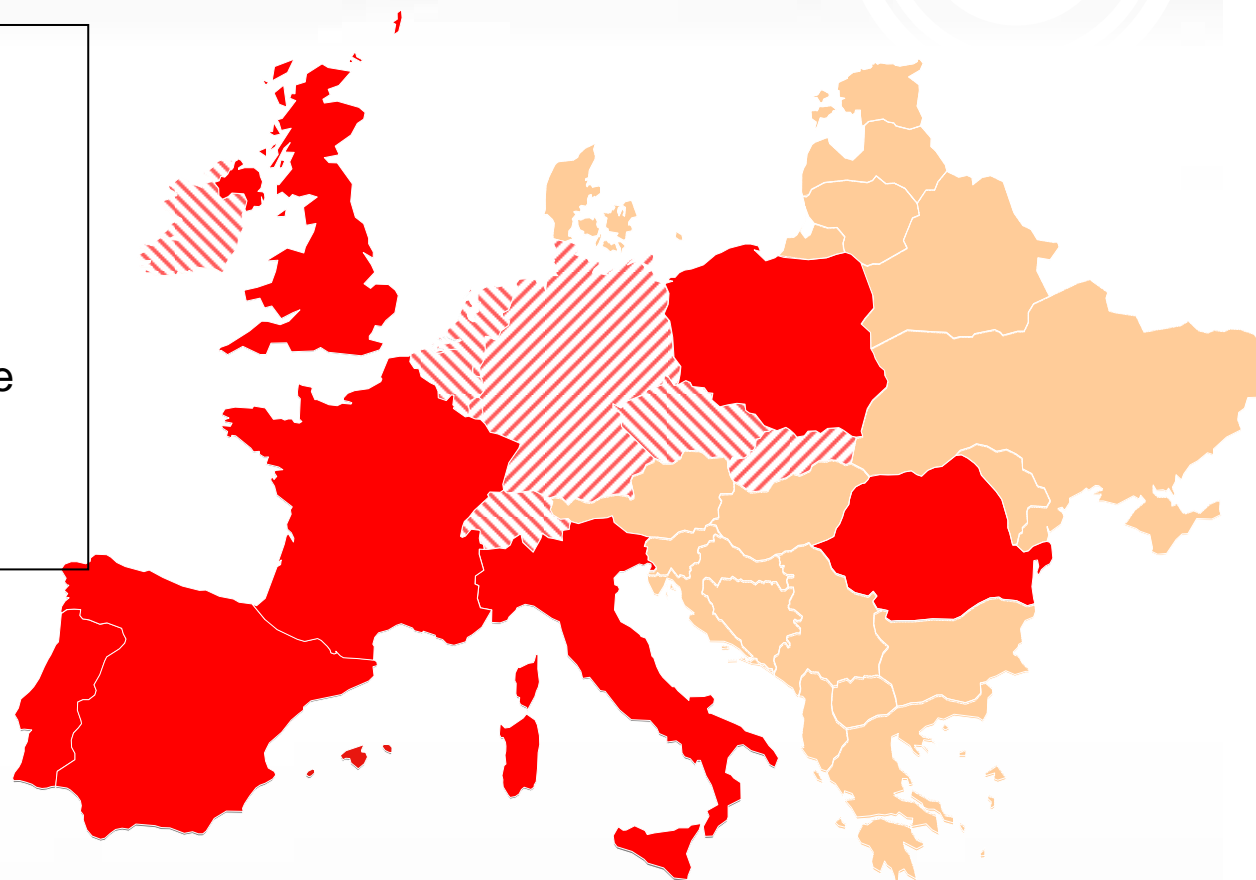
- A diversified customer portfolio encompassing every sector of the economy, from large international brands to regional SMEs
- A pan-European network
- A wide range of services covering a broad swath of the supply chain
- A decentralised organisation based on the subsidiarity principle with operating units headed by real entrepreneurs
- A commitment to quality service, responsiveness and creativity, symbolised by a strong and recognised brand
- A real capacity for adapting resources



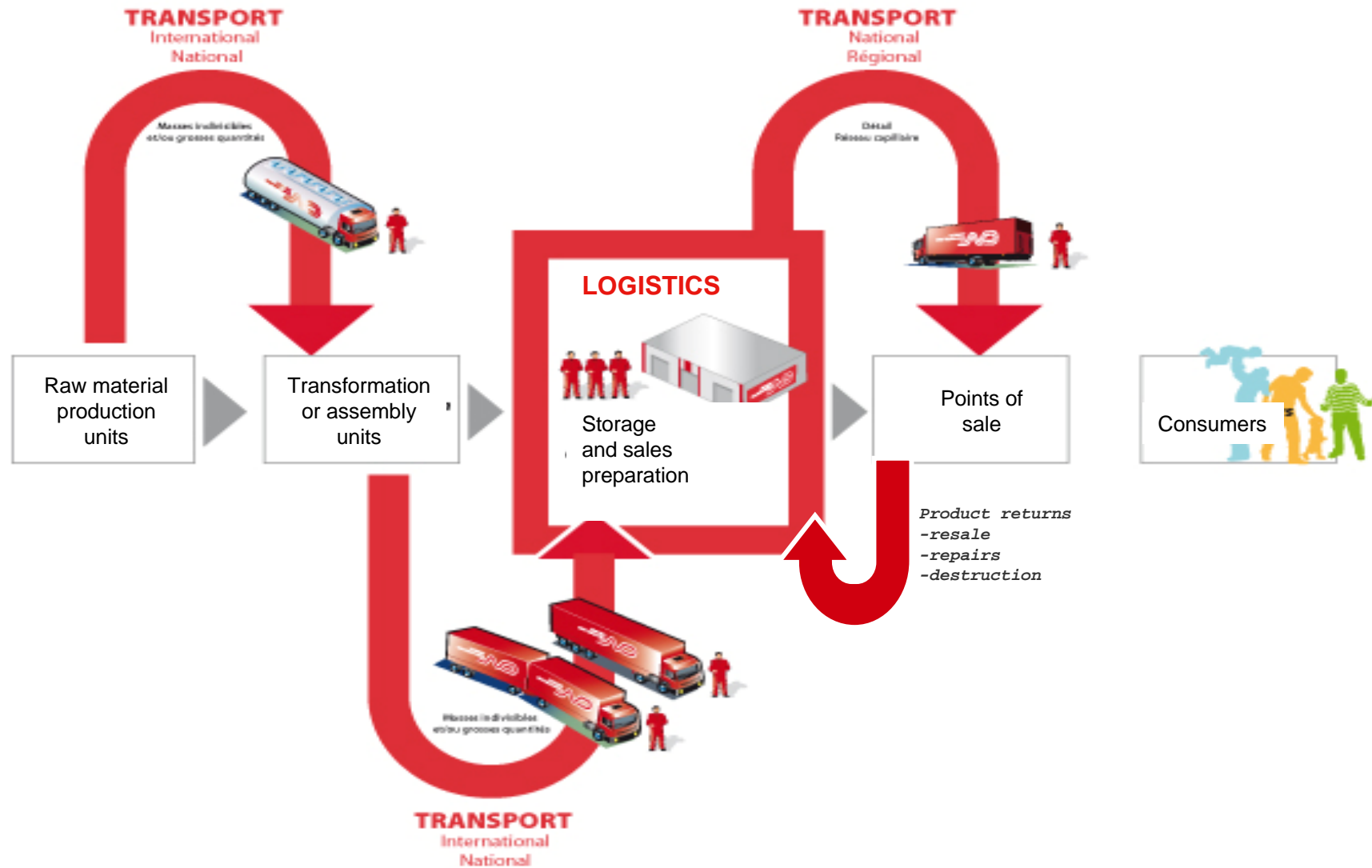
## A pan-European transport and logistics group with 44% of revenues generated outside France and 49% of its workforce also outside its home market

- €2,719m in revenue
- 6,900 tractors  
8,600 trailers
- 5.3m sqm of warehouse capacities
- 3.3m sqm of frozen storage capacities
- 26,500 employees

-  Transport and Logistics
-  Transport
-  Logistics



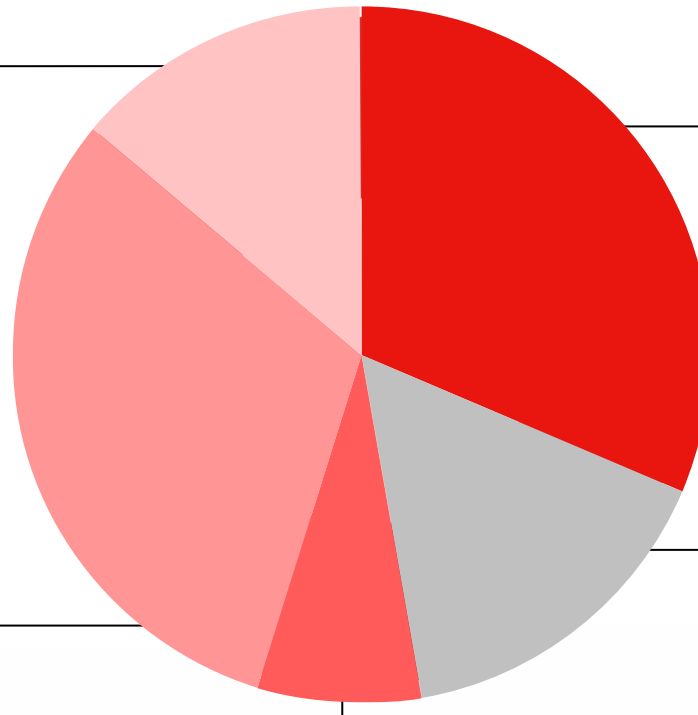
# A service range with broad coverage of the supply chain



## A major player in each of its transport and logistics activities

**Fresh, chilled and frozen logistics**  
€380m

**Packed goods and temperature controlled transport**  
€853m



**Ambient and reverse logistics**  
€853m

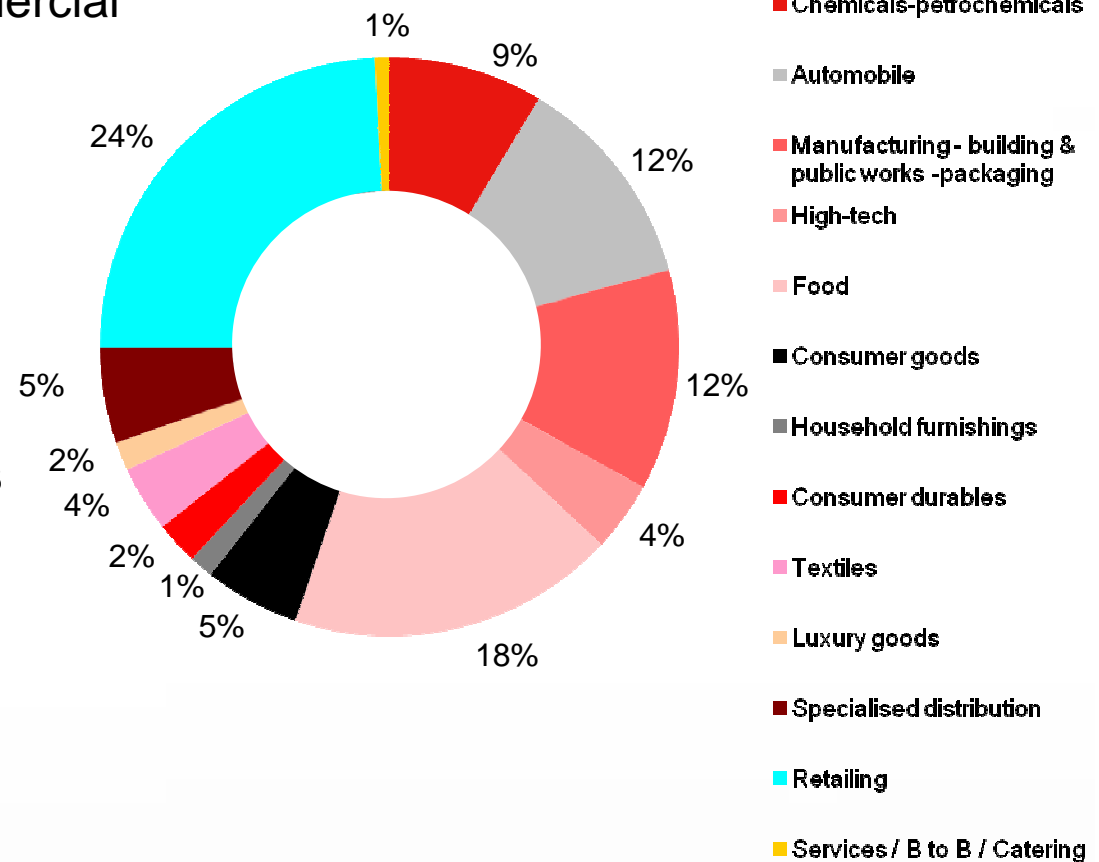
**Palletised distribution**  
€431m

**Bulk Transport**  
€202m

## A diversified, recurring portfolio

- A diversified customer portfolio spanning most manufacturing and commercial sectors

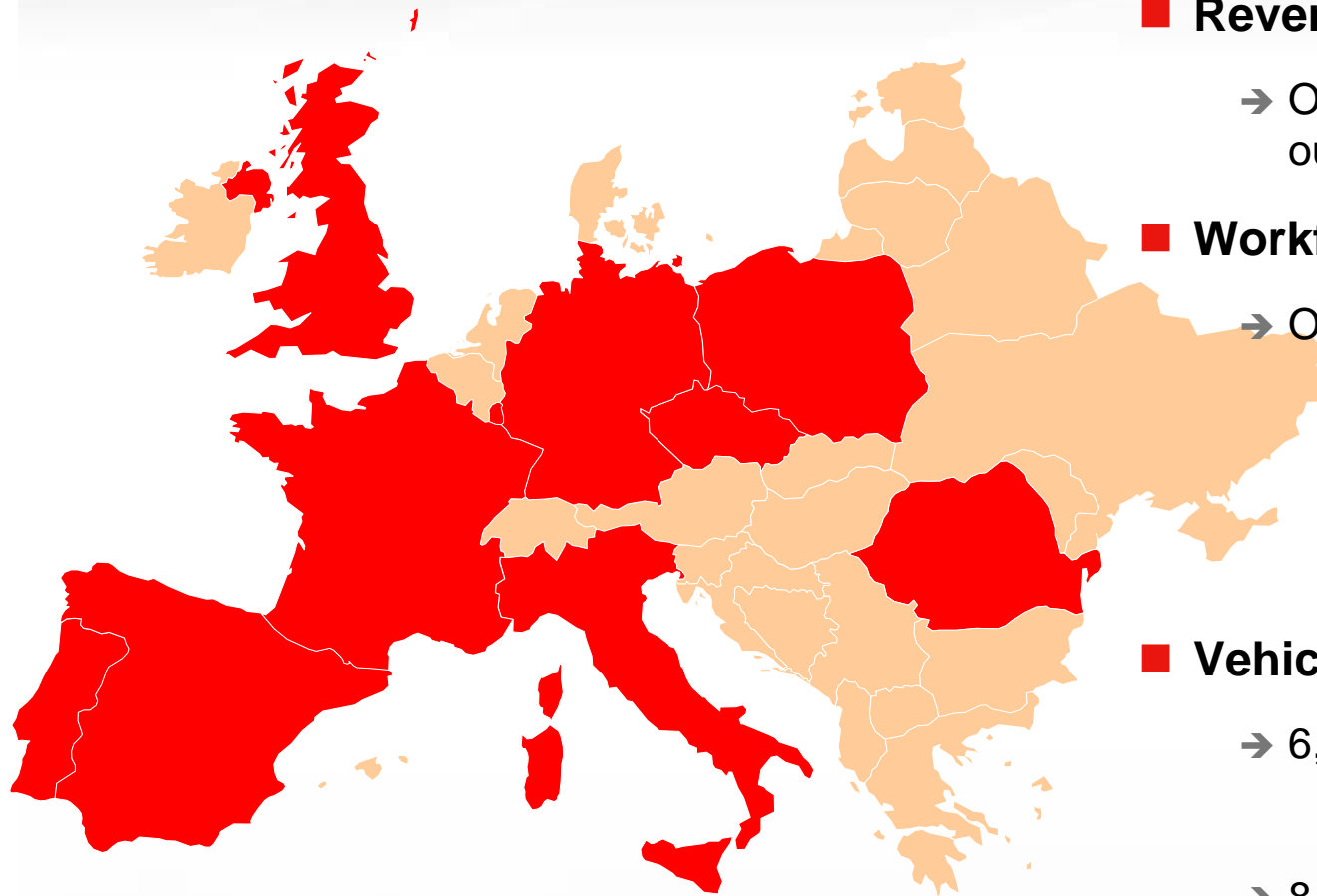
- Contracts with industry leaders in each country
- Most contracts are long term
  - 100% for the logistic activity
  - 40% for the transport activity



# TRANSPORT



## Transport Division at 31/12/2009



■ **Revenue: €1,486m**

→ Of which 32% generated outside France

■ **Workforce: 14,289**

→ Of which 33% outside France

■ **Vehicles:**

→ 6,900 tractors

- Of which 30% outside France

→ 8,600 trailers

## Business volume adversely impacted by economic conditions

- Daily revenue stabilised beginning in July
  - The 2008-2009 revenue trends crossed in December
  
- Transport activity affected by
  - Lacklustre chemical-petrochemical, building & public works and packaging sectors
  - Weak France-UK exports
  - Downward price pressure as of H2

## Strong marketing effort cushioned the drop in volumes

- Marketing effort took aim at increasing the customer portfolio in the following sectors
  - Retailing
  - Consumer goods
  
- Efforts were beefed up to secure transport services contracts
  - New contracts grew 15% in 2009, vs. 2008
    - Significant gains made in the “Key PL” offer for transport organisation in France, the UK and Italy
  - Outstanding 97% renewal rate for transport organisation contracts
  
- Marketing effort tied to palletised distribution in Europe
  - Red Europe

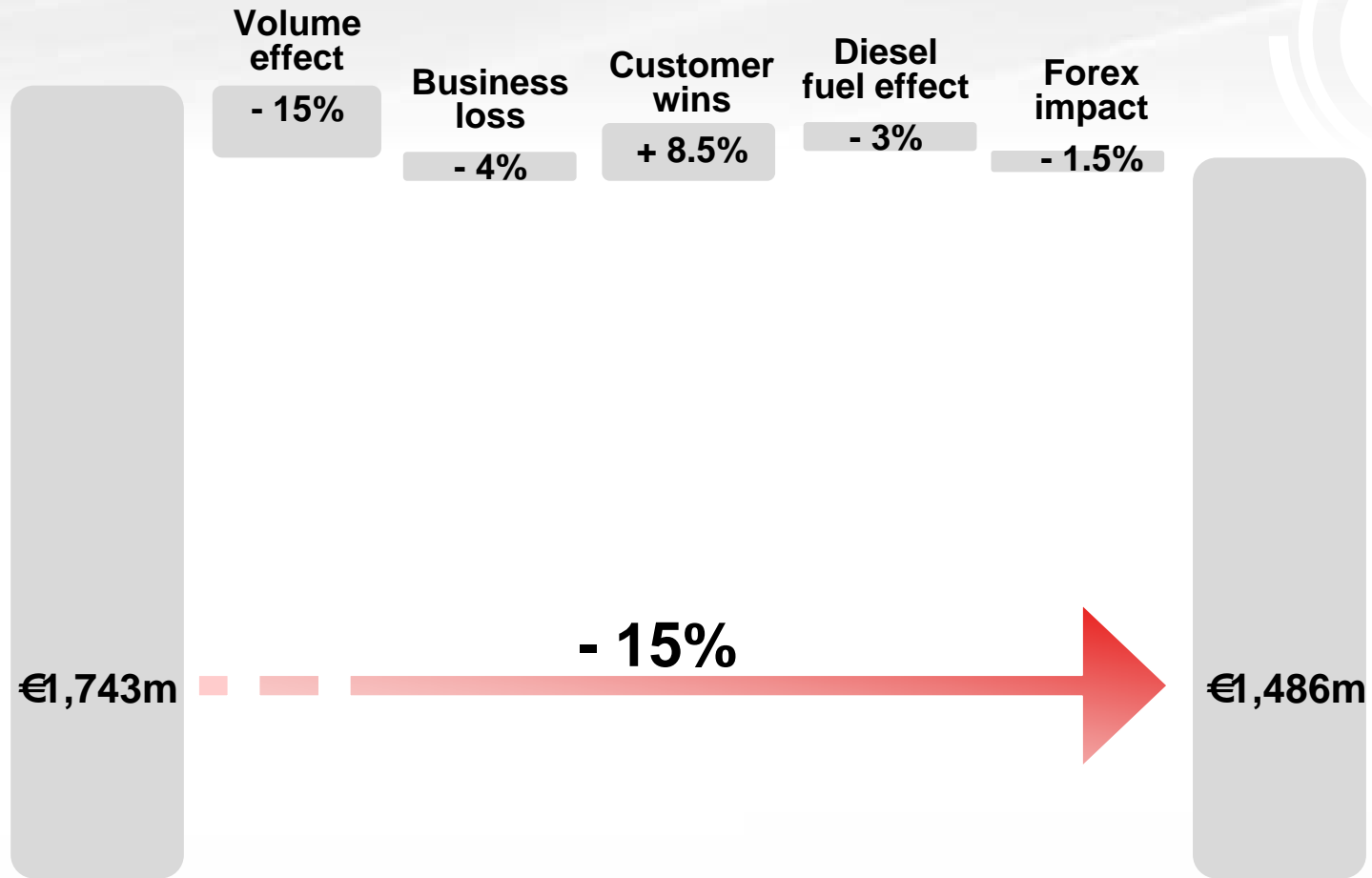


## Constant adaptation throughout the year

- Flexible business model and responsive management made adaptation of production means possible
  - Vehicle fleet cut 14%
  - Use of sub-contractors curtailed
  
- Efforts to lower structural costs continued
  - Workforce cut, salaries frozen, purchase contracts renegotiated, overhead expenses restricted
  - €11m in restructuring costs

**The margin loss from discontinued activities was offset by improvement in the margin rate and structural cost savings**

# Change in transport revenue



Transport revenue



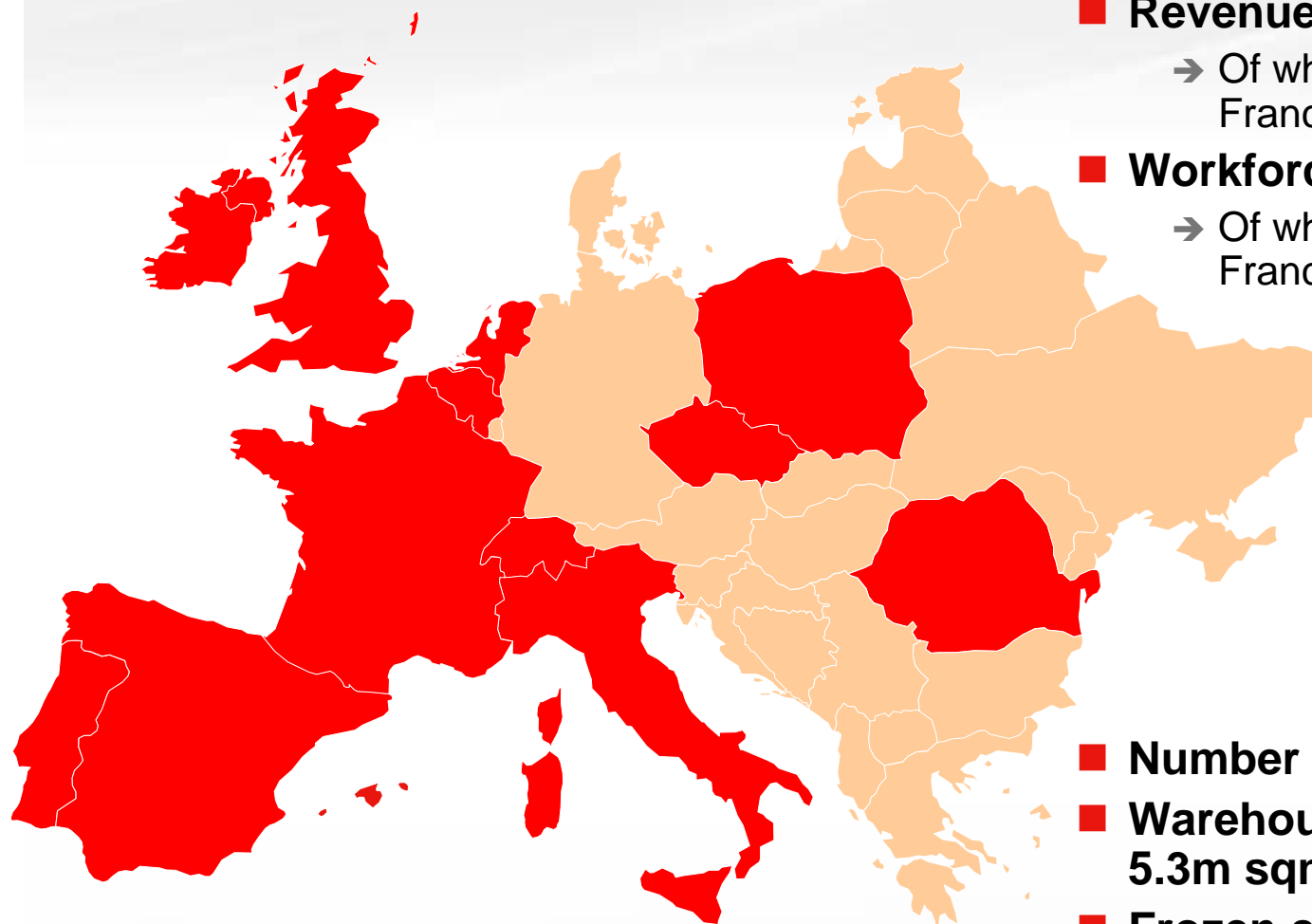
## Transport operating income

In €m	Transport 31/12/09	Transport 31/12/08	
Revenue	1,486	1,743	- 15%
Recurring operating profit	39.5	36.2	+ 9%
As % of revenue	2.7%	2.1%	
Op. income before goodwill (EBITA)	28.3	29.9	- 5.3%
As % of revenue	1.9%	1.7%	

# LOGISTICS



## Logistics division at 31/12/2009



- **Revenue: €1,233m**
  - Of which 58% outside of France
- **Workforce: 13,836**
  - Of which 64% outside of France
- **Number of sites: 193**
- **Warehousing capacities: 5.3m sqm**
- **Frozen capacities: 3.3m cubic metres**

## Business decline tapers off

- Logistics activities inertia
- No contract losses
- Business grew in Poland and the Czech Republic owing to the start of new contracts
- UK revenue was negatively impacted by sterling's weakness against the euro
- Frozen & chilled logistics business remained buoyant

## Steady commercial activity but few opportunities for new business

- Excellent rate of renewal for expiring contracts
- Few new business in a market looking for a “benchmark” during the period

## Sustained effort to certify logistics services in Europe

- ISO 9001 service quality
  - 70% of European revenues certified
  
- ISO 22000 food safety
  - 4 sites certified in the UK
  - 1 site certified in Switzerland
  
- ISO 18001 workforce safety
  - 20 sites certified in the UK
  - 1 site certified in the Switzerland



## Highly satisfactory performance in terms of profitability

- Operating efficiency as a key performance factor
  - Fine-tuned, day-to-day management of resources
  - Space optimisation
  - Cut in temporary workforce
  
- Notable growth in profitability at former-Christian Salvesen activities
  
- Cushioning effect of open book contracts in the UK

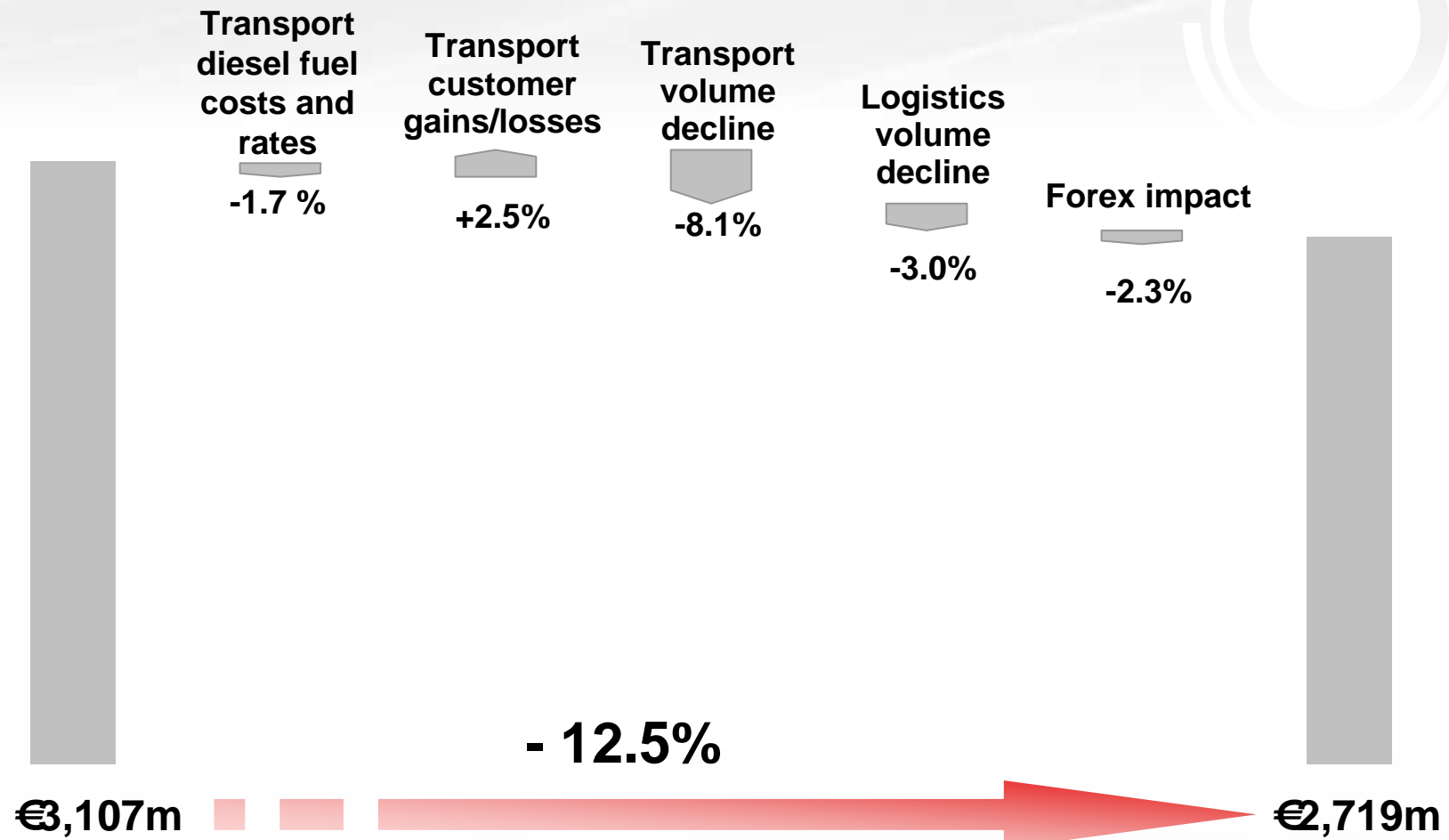
## Operating profitability remains on track with our targets

Figures in €m	Logistics 31/12/09	Logistics 31/12/08	
Revenue	1,233	1,364	- 10%
Recurring operating profit	48.7	42.7	+ 14%
As % of revenue	3.9%	3.1%	
Op. income before goodwill (EBITA)	52.3	68.2	- 23%
As % of revenue	4.2%	5.0%	

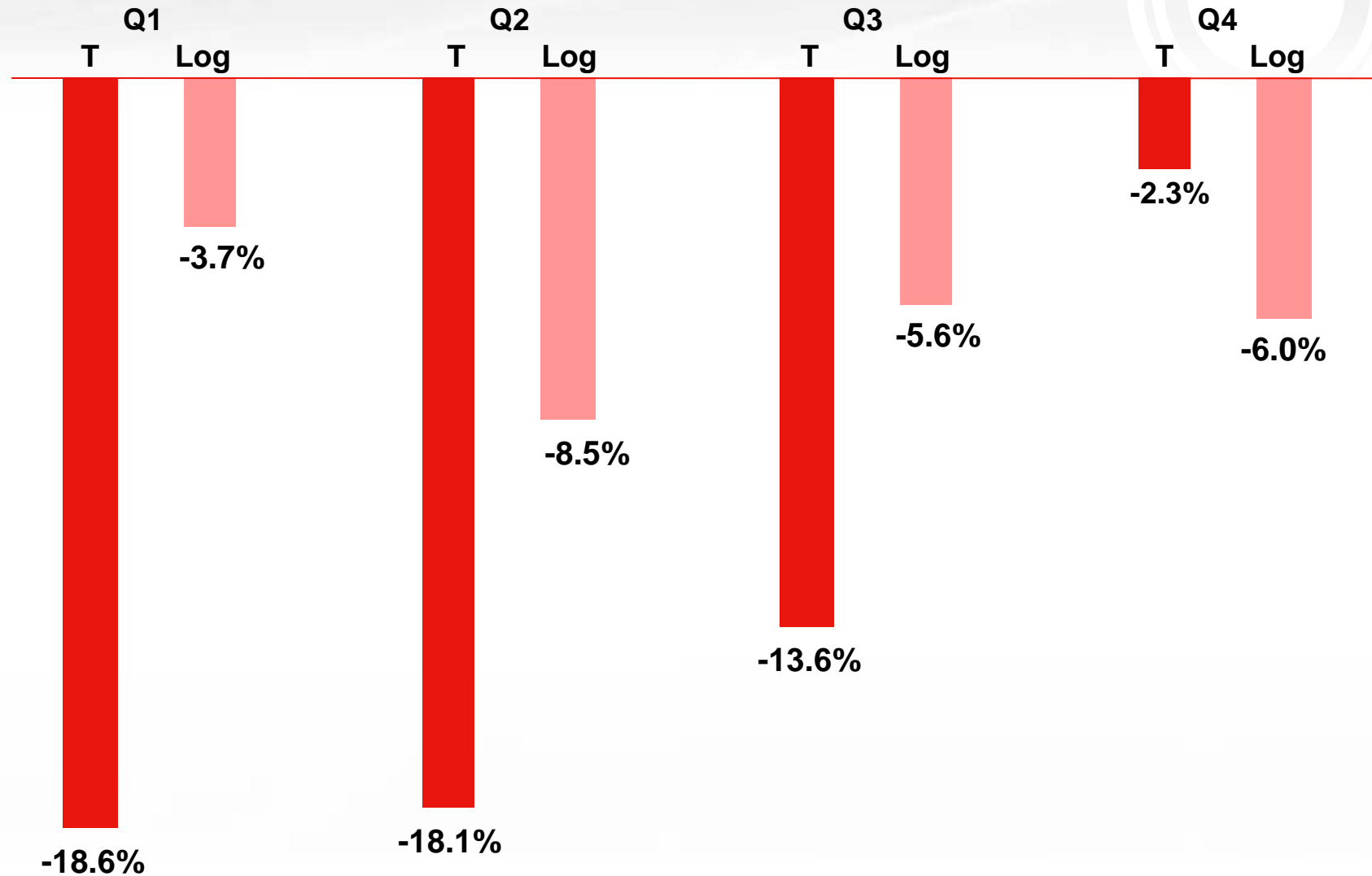
# CONSOLIDATED FINANCIAL STATEMENTS



# Consolidated revenue performance



## Sequential quarterly revenue performance at constant exchange rates



## Highly resilient recurring operating profit

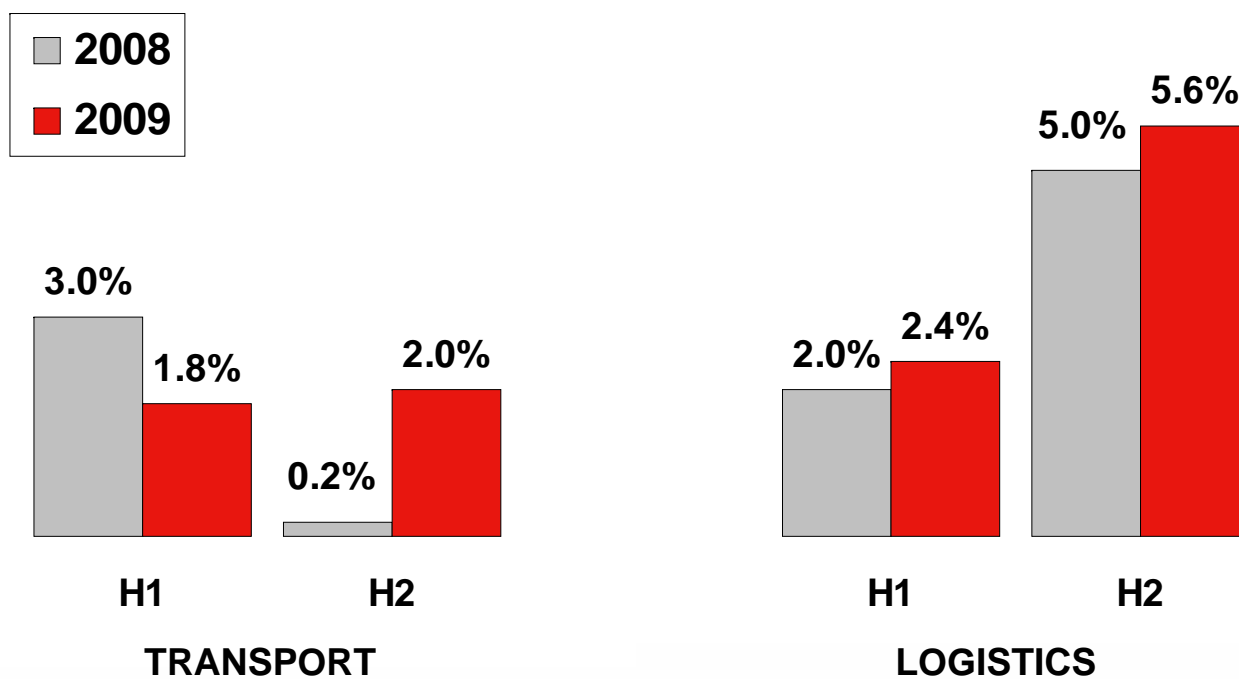
In €m	Cons. 31/12/09	Cons. 31/12/08	
Revenue	2,719	3,107	- 12.5%
EBITDA As % of revenue	189.5 7.0%	196.0 6.3%	+ 66 bp
Recurring operating profit As % of revenue	87.9 3.2%	78.9 2.5%	+ 11% + 69 bp
Non-recurring income and expense (see following slide)	(7.6)	19.3	
Operating income before goodwill (EBITA) As % of revenue	80.4 3.0%	98.2 3.2%	- 18%
Goodwill impairment test Customer relationship amortisation	- (3.7)	- (4.0)	
EBIT As % of revenue	76.7 2.8%	94.1 3.0%	

## Operating profitability

### Detail of non-recurring items and EBIT

In €m	Cons. 31/12/09	Cons. 31/12/08
<b>Recurring operating profit</b>	<b>87.9</b>	<b>78.9</b>
<b>As % of revenue</b>	<b>3.2%</b>	<b>2.5%</b>
Restructuring costs	(12.7)	(11.2)
Non-operating capital gains/losses on disposals	3.5	21.0
Reversal of provisions (TNT)	1.4	5.2
Closing of UK pension funds	-	4.1
Other non-recurring income and expense	0.2	0.2
<b>Operating income before goodwill (EBITA)</b>	<b>80.4</b>	<b>98.2</b>
<b>As % of revenue</b>	<b>3.0%</b>	<b>3.2%</b>

## Sequential half-year performance for operating margin





## Net financial expense

	31/12/09	31/12/08
In €m		
<b>Net financial expense</b>	<b>(25.8)</b>	<b>(34.4)</b>
<b>As % of revenue</b>	<b>(0.95%)</b>	<b>(1.11%)</b>

■ Of which:

→ Forex gains (losses)	(1.0)	(1.5)
→ Gain (loss) on interest rate hedges	(8.7)	1.1
→ Pension fund discounting	(3.2)	(0.3)

## Corporate income tax

In €m	31/12/09	31/12/08
National tax rate by country	(13.5)	
Use/non-use of tax-loss carryforwards	(0.9)	
Tax, excl. non-recurring items As % income before tax	<b>(14.5)</b> <b>28.4%</b>	<b>(17.5)</b> <b>29.2%</b>
Tax gain from Christian Salvesen restructuring	54.2	
Deferred tax on CVAE / IRAP	(3.5)	
Corporate income tax	<b>+ 36.2</b>	<b>(17.5)</b>

## Consolidated income statement

In €m	Cons. 31/12/09	Cons. 31/12/08	
Revenue	2,719	3,107	- 12.5%
EBITDA	189.4	196.0	
Operating income before amortisation (EBITA)	80.4 3.0%	98.2 3.2%	- 18%
EBIT	76.7 2.8%	94.1 3.0%	
Net financial expense	(25.8)	(34.4)	
Corporate income tax	36.2	(17.5)	
Associates	(1.3)	0.1	
Group net income	85.7 3.2%	42.4 1.4%	NA

## Cash flow statement

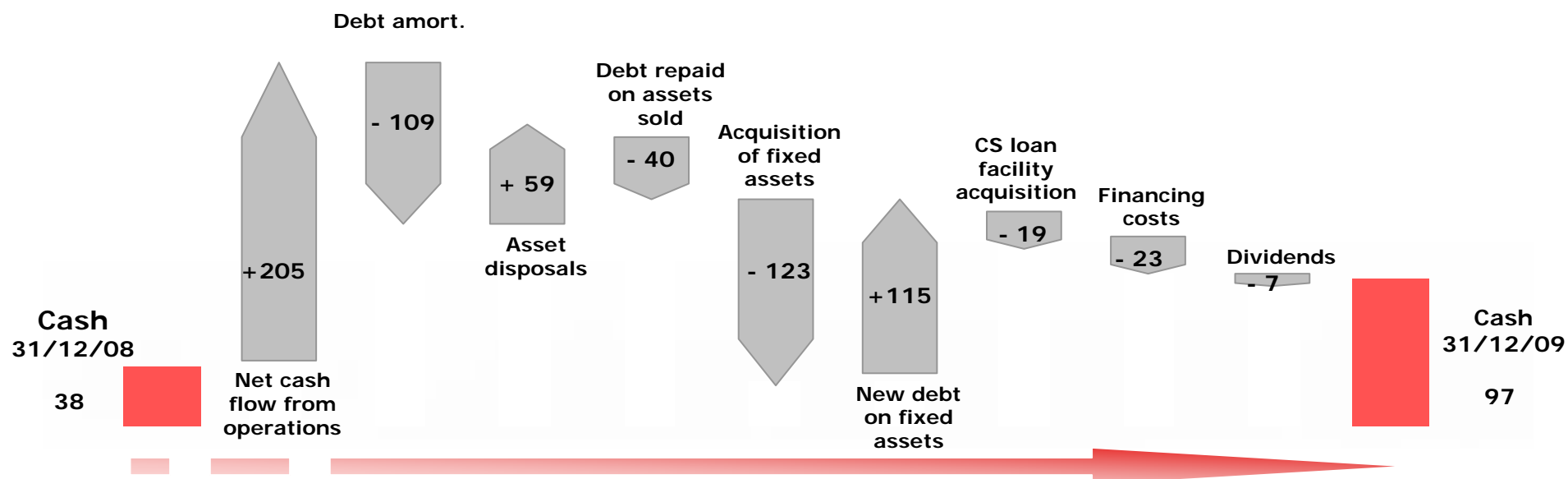
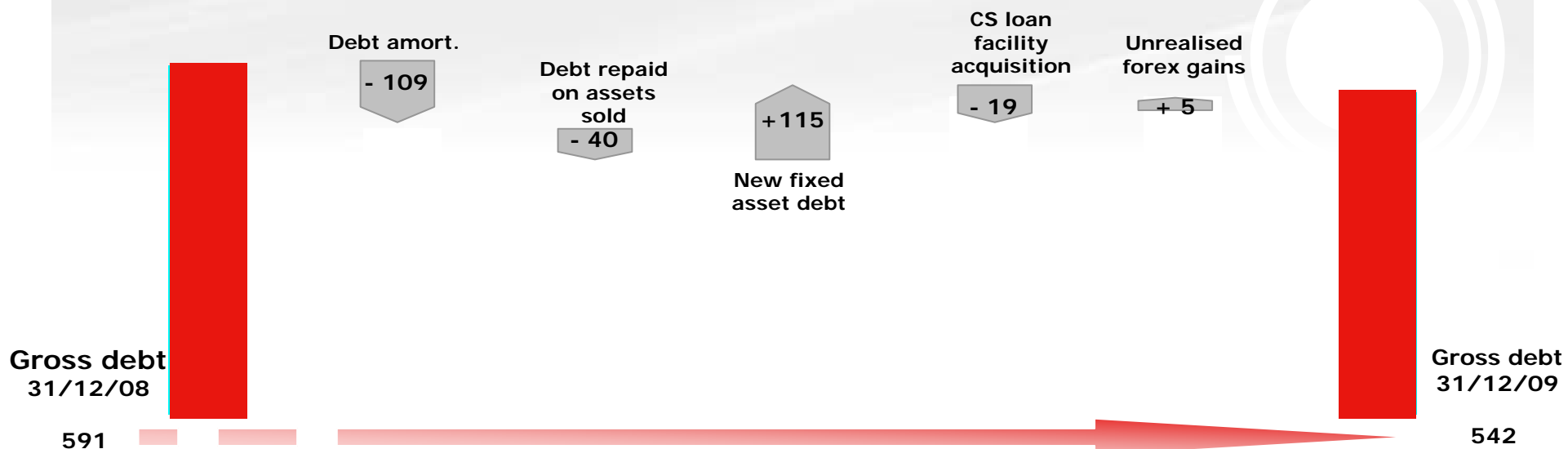
In €m	Cons. 31/12/09	Cons. 31/12/08
Cash flow from operations	220	145
Change in operating WCR	(4)	(35)
UK pension fund financing	(11)	
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>205</b>	<b>110</b>
CAPEX (net of disposals)	(80)	(139)
Disposal of warehouses	16	50
Acquisition of securities	0	(2)
<b>NET CASH FLOW FROM INVESTMENT TRANSACTIONS</b>	<b>(64)</b>	<b>(91)</b>
Dividends	(7)	(11)
Debt issue and repayment	(31)	(121)
Acquisition of treasury shares	0	(2)
<b>NET CASH FLOW FROM FINANCING TRANSACTIONS</b>	<b>(38)</b>	<b>(133)</b>
Forex impact	2	5
<b>CHANGE IN CASH</b>	<b>104</b>	<b>(109)</b>
Cash available at period end	142	38

## Comparative balance sheet

In €m	Cons. 31/12/09	Cons. 31/12/08
Goodwill	359	355
Intangible assets (including customer relationship)	69	72
Tangible assets	561	613
Other fixed and non-current assets	78	64
<b>Total non-current and financial assets</b>	<b>1,067</b>	<b>1,104</b>
Working capital requirement	(17)	(44)
<b>TOTAL ASSETS (NET)</b>	<b>1,049</b>	<b>1,060</b>
Equity	400	311
Provisions and differed tax liabilities	188	* 182
Fair market value of hedging instruments	16	14
Net debt	445	553
<b>TOTAL LIABILITIES (NET)</b>	<b>1,049</b>	<b>1,060</b>

\* Includes €36m UK pension scheme deficit

# Change in gross debt and cash in €m



## Breakdown of net financial debt

In €m	31/12/09	31/12/08
Loan to fund Ch. Salvesen acquisition	153	172
Facility for UK pension fund	45	-
Less securitised investments	(45)	-
Revolving facility	0**	-
Asset financing	380*	411
<i>Of which lease financing</i>	18	30
Employee profit-sharing	9	8
<b>TOTAL GROSS DEBT</b>	<b>542</b>	<b>591</b>
Cash and cash equivalents, net of bank overdrafts	97	38
<b>NET FINANCIAL DEBT</b>	<b>445</b>	<b>553</b>

\* Of which some €200m related to vehicle buy-backs

\*\* Out of a total €125m available

## Breakdown of tangible fixed assets

In €m	Land and Buildings	Transport vehicles	Machinery and equipment	Other & I.T.	TOTAL
31 / 12 / 2008	133	370	62	47	612
30 / 06 / 2009	133	364	65	42	604
31 / 12 / 2009	118	343	61	40	561

Included in these figures is a positive forex impact of €6m over the period



## Change in working capital requirement

In €m	31/12/09	Change in WCR for period	Forex impact	31/12/08
<b>Working capital requirement</b>	(17)	29	(2)	(44)

Of which:

- Operating WCR	111
- Non-operating WCR	(115)
- Fixed asset WCR	(13)

## Financial ratios improve despite recession

	Cons. 2009	2008	Bank covenants for 2009
<b>Gearing</b> (net financial debt / equity)	111%	178%	< 220%
<b>Interest cover</b> (EBITA / net interest expense)	3.8 times	3.1 times	> 2.6
<b>Leverage</b> (net financial debt / EBITDA)	2.3 times	2.8 times	< 3.2
<b>ROCE</b> (EBITDA / average capital employed)	9%	11%	
<b>ROE</b> (Net earnings / equity)	21%	14%	

## AGM of 20 May 2010

- Dividend to be proposed to the Annual General Meeting  
→ 0.90€ per share

# OUTLOOK

François BERTREAU



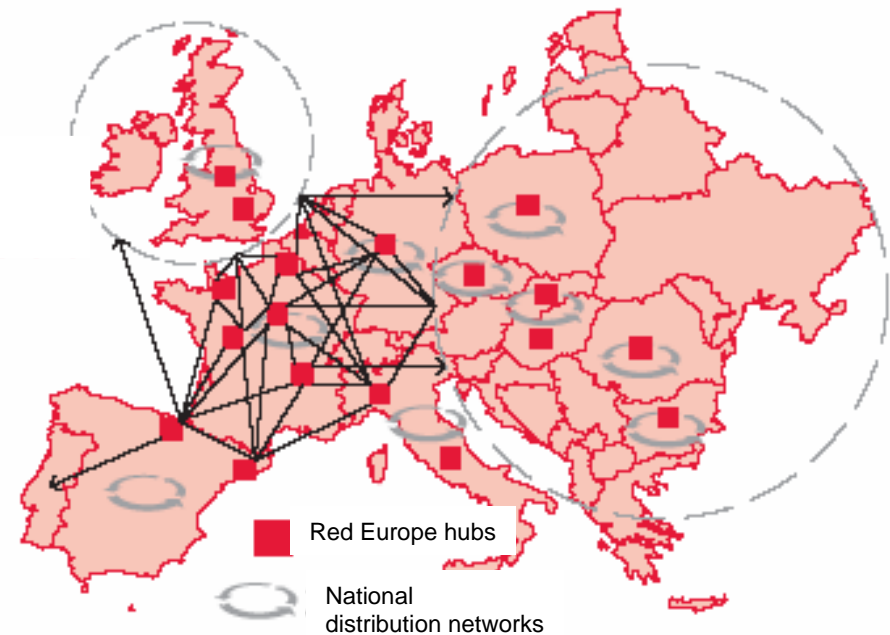
## Initiatives for building the future

- Launch of “Red Europe,” the new European palletised distribution network
- Startup of the freight forwarding activity
- Strengthening of commitment to the environment

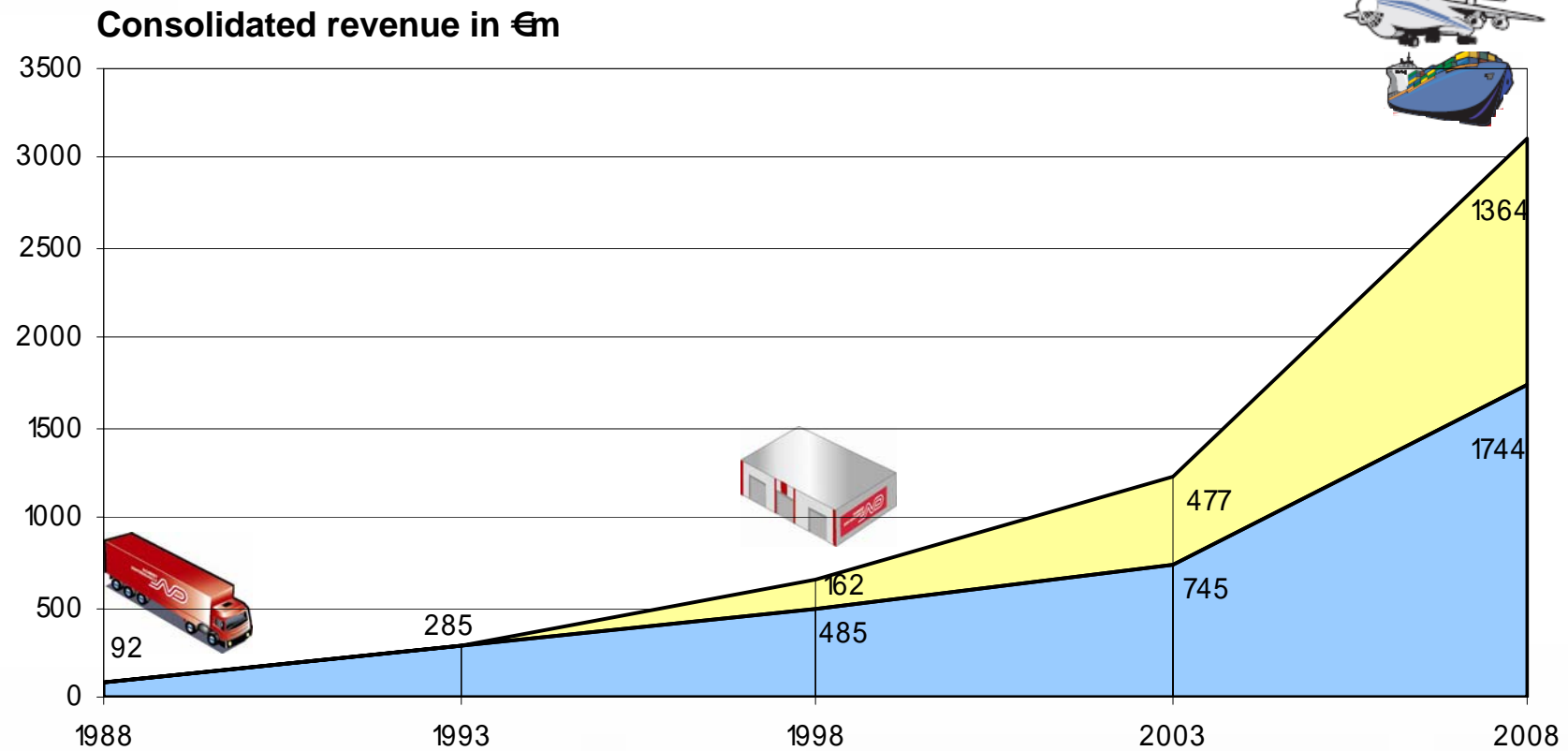
## Red Europe



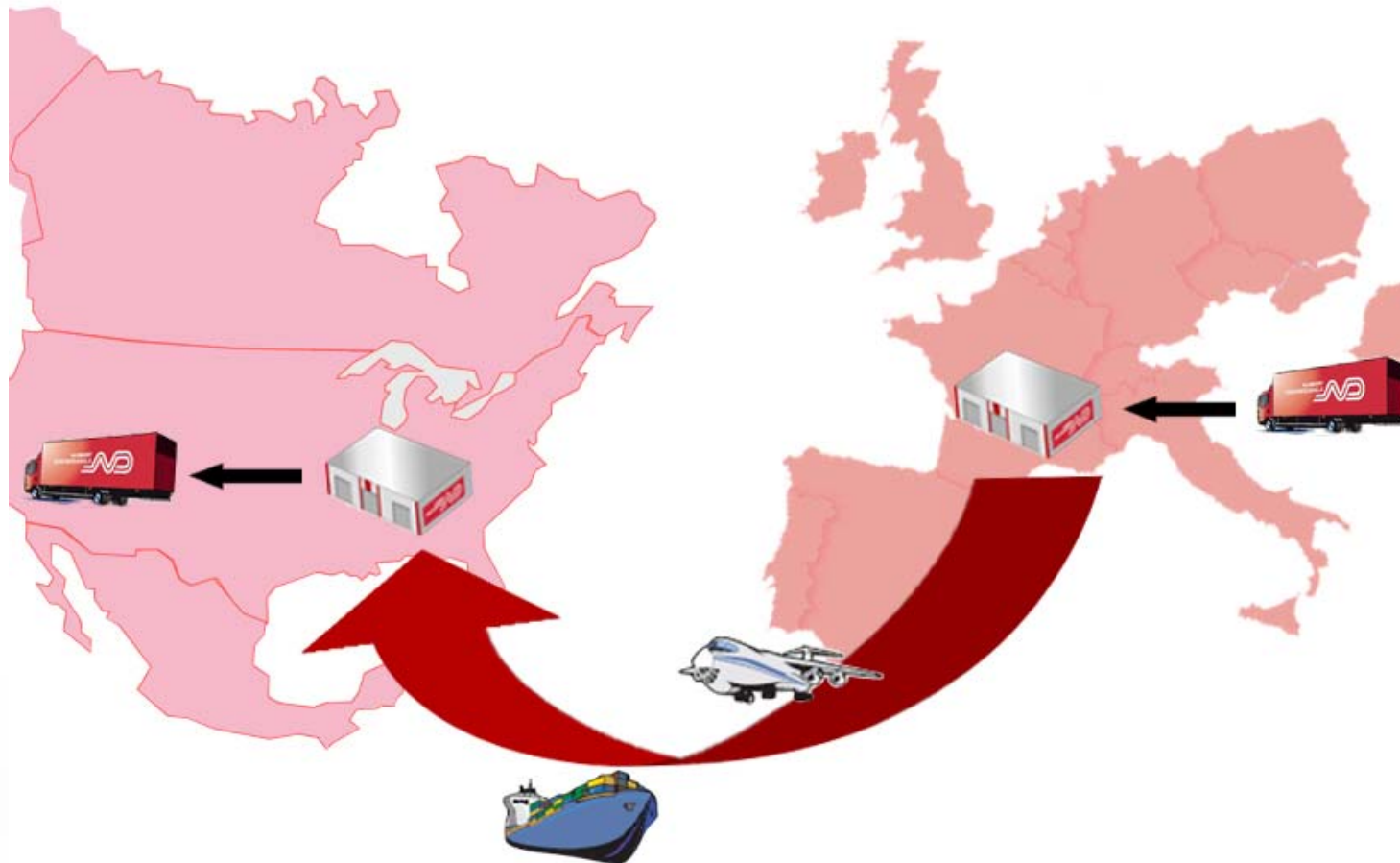
- A new service based on linked domestic networks for palletised distribution
  
- Strengths of the service
  - Well managed delivery times
  - Track & Trace
  
- European exporters are the targeted market



# Freight forwarding launched to strengthen our service offering



## Freight forwarding will lead the way to exporting the Group's activities outside Europe





## Commitment to the environment has been strengthened

- ISO 14001 environmental certification for logistics warehouses
  - 45% of European revenue is now compliant (42% of sites)
  
- Renewal of vehicle fleet, the “greenest” in Europe
  - 68% of the fleet meets EURO IV & V standards
  
- Bureau Veritas has verified and certified the Group’s calculation method for CO<sub>2</sub> emissions
  - “Bureau Veritas Certification France attests to the fairness of the process used by Norbert Dentressangle to measure the CO<sub>2</sub> emissions of its road transport services.”



## 2010



- Visibility remains weak
- The Group has demonstrated its adaptation capacity during an unprecedented economic downturn
- We are sticking to the strategy that guided us successfully through 2009

# Annual Results

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for 2009



Paris - 10 March 2010