

Norbert Dentressangle S.A.
192, avenue Thiers
69457 Lyon cedex 6
France

We have reviewed the accompanying condensed consolidated interim financial statements of Norbert Dentressangle S.A., which comprise the condensed consolidated balance sheet as of March 31, 2015, and the related condensed consolidated income statements, consolidated statements of other comprehensive income, consolidated cash flow statements and consolidated statements of changes in equity for the quarters ended March 31, 2015 and March 31, 2014, and the related notes to the condensed consolidated interim financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, specifically IAS 34, *Interim Financial Information*; this responsibility includes the design, implementation and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditors' Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements referred to above for them to be in conformity with IAS 34, *Interim Financial Reporting*.

Report on condensed consolidated balance sheet as of December 31, 2014

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Norbert Dentressangle S.A. as of December 31, 2014, and the related consolidated income statements, consolidated statements of other comprehensive income, consolidated cash flows statements and consolidated statements of changes in equity for the year then ended and we expressed an unqualified audit opinion on those audited consolidated financial statements in our report dated May 22, 2015. In our opinion, the accompanying condensed consolidated balance sheet of Norbert Dentressangle as of December 31, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

May 22, 2015

Lyon, France

Ernst & Young et Autres

Daniel Mary-Dauphin

Partner

Grant Thornton

Robert Dambo

Partner



**QUARTERLY CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2015**

3.1 CONSOLIDATED INCOME STATEMENT (UNAUDITED)

€000	Note	For the 3 months ended 31/03/2015	For the 3 months ended 31/03/2014
REVENUES	3.6.5	1,300,349	1,085,571
Other purchases and external costs		(796,702)	(681,822)
Staff costs		(405,416)	(332,537)
Taxes, levies and similar payments		(16,348)	(13,305)
Amortisation and depreciation charges		(31,937)	(28,562)
Other operating expenses and income		(2,301)	(307)
Gains and losses on sales of operating assets		744	939
Restructuring costs		(3,002)	(4,151)
Fixed assets gains or losses		187	-
EBITA	3.6.6	45,201	25,826
Amortisation of allocated Customer Relations		(4,922)	(1,758)
EBIT	3.6.6	40,279	24,068
Net interest expense	3.6.10	(9,889)	(6,366)
Net exchange gains/losses	3.6.10	3,773	(1,369)
Other financial items	3.6.10	(690)	(1,212)
GROUP PRE-TAX INCOME		33,474	15,122
Income tax	3.6.12	(11,454)	(6,790)
Group share of earnings of companies treated under the equity method	3.6.11	(6)	16
NET INCOME		22,014	8,348
Non-controlling interests		697	794
NET INCOME GROUP SHARE		21,317	7,554
EARNINGS PER SHARE			
Basic EPS on net income for the year	3.6.13	2.18	0.78
Diluted EPS on net income for the year	3.6.13	2.15	0.76

The accompanying footnotes are an integral part of the condensed consolidated financial statements.

3.2. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)

€000	31/03/2015	31/03/2014
NET INCOME	22,014	8,348
Translation adjustments	54,601	(38)
Gains (losses) on revaluation of financial instruments	103	(779)
Tax on financial instruments and translation adjustments	2,344	(128)
Sub-total of items recyclable to profit or loss	57,048	(945)
Actuarial gains and losses on employee benefits	(9,159)	-
Tax impact	1,832	-
Sub-total of items not recyclable to profit or loss	(7,327)	-
OTHER ITEMS AMOUNTS POSTED TO SHAREHOLDERS' EQUITY	49,721	(945)
TOTAL COMPREHENSIVE INCOME	71,735	7,403
Attributable to:		
Non-controlling interests	1,243	652
Parent company shareholders	70,492	6,751

The accompanying footnotes are an integral part of the condensed consolidated financial statements.

3.3. CONSOLIDATED BALANCE SHEET (UNAUDITED)

ASSETS

€000	Note	31/03/2015	31/12/2014
Goodwill	3.6.8	1,044,954	975,079
Intangible fixed assets	3.6.8	378,735	350,984
Tangible fixed assets	3.6.8	577,398	570,162
Investments in associated companies	3.6.11	2,219	2,087
Other non-current financial assets	3.6.10	50,233	55,841
Deferred tax assets	3.6.12	68,787	63,992
NON-CURRENT ASSETS		2,122,326	2,018,145
Inventories	3.6.6	23,438	19,404
Trade receivables	3.6.6	981,821	886,447
Current tax receivable	3.6.6	53,821	38,558
Other receivables	3.6.6	165,492	164,774
Other current financial assets	3.6.10	21,222	18,778
Cash and cash equivalents	3.6.10	141,847	209,085
CURRENT ASSETS		1,387,641	1,337,046
TOTAL ASSETS		3,509,967	3,355,191

LIABILITIES

€000	Note	31/03/2015	31/12/2014
Share capital	3.6.13	19,672	19,672
Share premium		19,132	19,132
Translation adjustments		59,202	5,147
Consolidated reserves		616,138	544,238
Net income for the financial year / period		21,317	75,895
SHAREHOLDERS' EQUITY GROUP SHARE		735,461	664,084
Non-controlling interests		28,541	27,156
SHAREHOLDERS' EQUITY		764,002	691,240
Long-term provisions	3.6.9	152,831	143,620
Deferred tax liabilities	3.6.12	168,743	143,275
Long-term borrowings	3.6.10	1,049,440	1,050,647
Other non-current liabilities	3.6.10	28,220	25,569
NON-CURRENT LIABILITIES		1,399,234	1,363,111
Short-term provisions	3.6.9	21,158	20,040
Short-term borrowings	3.6.10	164,617	160,988
Other current borrowings	3.6.10	40,245	36,213
Bank overdrafts	3.6.10	47,940	14,520
Trade payables	3.6.6	649,784	655,860
Current tax payable	3.6.6	13,425	11,224
Other debt	3.6.6	409,562	401,995
CURRENT LIABILITIES		1,346,731	1,300,840
TOTAL LIABILITIES		3,509,967	3,355,191

The accompanying footnotes are an integral part of the condensed consolidated financial statements.

3.4. CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

€000	Note	3 months ended 31/03/2015	3 months ended 31/03/2014
Net income Group Share		21,317	7,554
Depreciation and provisions		37,492	29,452
Net financial costs on financing transactions		6,116	7,734
Other financial items		690	1,213
Minority interests		703	778
Corporate income tax (income) / expense		11,454	6,790
EBITDA		77,772	53,521
Capital gains or losses on disposals of fixed assets		(493)	(871)
Corporate income tax paid		(6,532)	(5,894)
Free cash flow after tax paid		70,747	46,756
Change in inventories		(2,827)	440
Trade receivables		(61,501)	(49,883)
Trade payables		(14,579)	(22,829)
Operating working capital		(78,907)	(72,272)
Social security receivables and payables		(5,461)	2,977
Tax receivables and payables		8,612	(4,600)
Other receivables and payables		(1,347)	(1,756)
Non-operating working capital (excl. corporate income tax)		1,804	(3,379)
Operating working capital (excl. corporate income tax)		(77,103)	(75,651)
Change in Pension Funds		(3,253)	(8,217)
NET CASH FLOW FROM OPERATIONS		(9,609)	(37,112)
Sales of intangible and tangible fixed assets		9,171	15,304
Acquisition of intangible and tangible fixed assets		(29,843)	(28,290)
Receivables on sales of fixed assets		(14,213)	(15,888)
Payables on acquisitions of fixed assets			
Sales of financial assets			
Net cash flow from company acquisitions and sales	3.6.4.	(255)	(635)
NET CASH FLOW FROM INVESTMENT TRANSACTIONS		(35,140)	(29,509)
NET CASH FLOW		(44,749)	(66,621)
Dividends paid to parent company shareholders			(159)
Net new loans			17,540
Capital increase/(reduction)		2	
Treasury shares		336	979
Other financial assets/liabilities		7,765	2,269
Repayment of loans		(61,231)	(35,829)
Net financial costs on financing transactions		(6,116)	(7,734)
NET CASH FLOW FROM FINANCING TRANSACTIONS		(59,244)	(22,934)
Exchange differences on foreign currency transactions		3,335	1,207
CHANGE IN CASH		(100,658)	(88,348)
Opening cash and cash equivalents		194,565	389,422
Closing cash and cash equivalents	3.6.10.	93,907	301,074
Change in cash (closing - opening)		(100,658)	(88,348)

The accompanying footnotes are an integral part of the condensed consolidated financial statements.

3.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

€000	Share capital	Share premium	Undistrib- uted reserves	Other réserves	Earnings	Translation adjustments	Shareholders' equity, Group share	Non- controlling interests	TOTAL Shareholders' equity
AT 31 DECEMBER 2013	19,672	19,077	471,240	(13,498)	70,100	(22,464)	544,127	27,595	571,722
Appropriation of earnings			70,100		(70,100)				
Dividends paid								(158)	(158)
Net profit for the period					7,554		7,554	794	8,348
Other comprehensive income (Acquisitions) disposals of treasury shares				(907)		104	(803)	(142)	(945)
Share-based remuneration			159	819			978		978
Other variations			254				254		254
			48				48	(1)	47
AT 31 MARCH 2014	19,672	19,077	541,801	(13,586)	7,554	(22,360)	552,158	28,088	580,246
Dividends paid			(15,588)				(15,588)	(2,833)	(18,421)
Net profit for the year					68,341		68,341	5,394	73,735
Other comprehensive income (Acquisitions) disposals of treasury shares			27,980	448		27,507	55,935	(575)	55,360
Capital increase		55	60				115		115
Share-based remuneration			1,455				1,455		1,455
Changes in consolidation			691				691	(2,689)	(1,998)
Other variations			(158)				(158)	(229)	(387)
AT 31 DECEMBER 2014	19,672	19,132	556,184	(11,946)	75,895	5,147	664,084	27,156	691,240
Appropriation of earnings			75,895		(75,895)				
Net profit for the period					21,317		21,317	697	22,014
Other comprehensive income (Acquisitions) disposals of treasury shares			(7,327)	2,447		54,055	49,175	546	49,721
Share-based remuneration			267	67			334		334
Changes in consolidation			670				670		670
Other variations			(142)				(142)	142	
			23				23		23
AT 31 MARCH 2015	19,672	19,132	625,570	(9,432)	21,317	59,202	735,461	28,541	764,002

The accompanying footnotes are an integral part of the condensed consolidated financial statements.

3.6. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2015

3.6.1. General information regarding the issuer

Norbert Dentressangle is a Société Anonyme (French public limited company) with an Executive Board and a Supervisory Board, subject to the provisions of the French Commercial Code and with registered office at 192 Avenue Thiers - 69457 Lyon Cedex 06 - France.

The Company is listed on the Paris and London stock exchanges on the Eurolist market, compartment A. The Group financial statements were authorized for issue in accordance with a resolution of the directors on May 22, 2015.

The Group's businesses are Transport, Logistics and Air & Sea.

3.6.2. Significant events

• Acquisition of Groupe Norbert Dentressangle by XPO Logistics

On April 28, 2015, XPO Logistics Inc. and the Dentressangle family announced that they had entered into a definitive agreement for XPO Logistics to acquire a majority interest in Norbert Dentressangle SA and launch a tender offer for the remaining shares.

From a contractual standpoint, the main consequences of this change in ownership are the following:

- A portion of Groupe Norbert Dentressangle existing debt corresponding to the corporate financial debt (M€ 868.7 as of 3/31/2015 / M€ 840 as of 12/31/2014) will be accelerated and will have to be reimbursed to the lenders a few days after the closing date, unless current discussion with the lenders result in waivers of such acceleration. Absent such waivers, (i) the related capitalized debt issuance costs (M€ 4.9 as of 3/31/2015 / M€ 5.3 as of 12/31/2014) will have to be charged to P/L (no cash impact) (ii) the fair value of the related hedging instruments (M€ -4.6 as of 3/31/2015 / M€ -3.7 as of 12/31/2014) will also have to be reclassified to P/L (iii) the loans reimbursed will have to be refinanced with financial resources brought by XPO Logistics.
- The terms and conditions of the share-based awards granted to managers (share warrants and performance shares) will be modified, resulting in a shorter vesting period (acceleration).

Besides, the identification of change in ownership clauses in the contracts with our customers and the tenants of the premises rented by the group is still in process; however, no significant impact is expected.

The acquisition by XPO being expected to close in June 2015, the consequences of the change in ownership have not been accounted for in the consolidated balance sheet as of March 31, 2015 and consolidated income statement for the quarter then ended and are disclosed in the present financial statements, in accordance with IAS 10 - *events after the reporting period*.

3.6.3. General accounting policies

a) Statement of compliance and basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The condensed consolidated financial statements for the first quarter of 2015 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all information and disclosures required in the annual financial statements. Therefore, it is advisable to read them in conjunction with the Group consolidated financial statements of 31 December 2014. The Group consolidated financial statements for the year ended 31 December 2014 are available on request at the Company registered office or on www.norbert-dentressangle.com.

The consolidated financial statements have been drawn up in euros, i.e. the Group's functional currency, and are stated in thousands of euros (€000).

b) Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

The Group has not applied any standards, interpretations or amendments, as adopted by the IASB, for which their mandatory date of application is after 31 March 2015, such as:

- IFRS 15 : revenue from contracts with customers
- IFRS 9 : financial instruments
- IFRS 9 : hedge accounting and amendments to IFRS 9, IFRS 7 and IAS 39
- Improvements to IFRS : 2010 – 2012 cycle ; 2011 – 2013 cycle ; 2012-2014 cycle.
- IFRS 11 : accounting for acquisitions of interests in joint operations
- IAS 1 : disclosure initiative

c) Estimates and judgments

In order to draw up its financial statements, the Group must make certain estimates and assumptions that can affect the financial statements. The Group periodically reviews its estimates and assessments to take into account past experience and other factors deemed to be relevant in light of economic conditions. The financial statements reflect the best estimates based on available information as at the balance sheet date. Depending on changes in these various assumptions or conditions, the amounts recorded in its future financial statements may differ from current estimates.

Material estimates and assumptions applied in preparing the financial statements principally relate to:

- Measuring the recoverable amount of tangible and intangible assets including goodwill,
- Estimating provisions, specifically measuring assets and liabilities from retirement commitments,
- Valuing customer relations,
- Valuing financial instruments;
- Recognising deferred tax assets.

d) Features specific to the preparation of the interim financial statements:

• Income tax

In the context of the interim financial statements, income tax (current and deferred) is determined by applying the average effective rate estimated for the entire year to the pre-tax income.

• Pensions and other employee benefits

Pension costs and other long-term employee benefits are based on updated actuarial valuations performed at the end of the period or calculated on the basis of an extrapolation of the valuations performed at the end of the prior year. Where appropriate, these assessments are adjusted for discounts, settlements or other significant non-recurring developments during the period.

3.6.4. Scope of consolidation

a) Change in scope of consolidation

• Jacobson Companies acquisition - Allocation of purchase price

At 31 March 2015, the purchase price allocation per CGU of the identifiable assets and liabilities is still under review.

b) Off-balance sheet commitments of Group companies

€000		31/12/2014
Commitments given		

Purchase of investments	n/a	n/a
Warranties against claims	27,499	25,677

Warranties against claims :

The Group has given liability guarantees for the sale of the Dagenham UK site.
Excess amounts: €0.1 million.

€000	31/03/15	31/12/2014
Commitments received		
Warranties against claims	151,386	137,162

Liability guarantees received:

The Group has been granted liability guarantees for the following acquisitions: TDG, Hopkinson, Daher's Air & Sea business, Fiege's logistics and transport businesses in Italy and Spain, eight MGF businesses and Jacobson Companies.

Liability guarantees received:

Excess amounts: €10.9 million

The guarantee cap at the end of March 2015 amounted to €151.4 million (of which €47.3 million expires in 2018 and €103.6 million in 2020).

This cap may be increased by €20.1 million in the event of fraud.

The Group has received liability guarantees for the purchase of APC: 100% compensation on all statements (no excess, cap or time limit).

The Group has also received guarantees for the John Keells acquisition, which apply as of 31 October 2012 for three years (no excess or cap).

3.6.5. Operating segments

a) Key indicators per operating segment

€m	Transport	Logistique	Air & Sea	Elimination of inter segment transactions	Total
Revenue					
3 months ended 31/03/2014	527	530	48	(20)	1,086
3 months ended 31/03/2015	592	680	50	(22)	1,300
Inter-segment revenue					
3 months ended 31/03/2014	(17)	(2)	(1)	-	(20)
3 months ended 31/03/2015	(18)	(3)	(1)	-	(22)

€m	Transport	Logistique	Air & Sea	Other activities	Total
EBIT					
3 months ended 31/03/2014	10.8	13.1	0.1	-	24.0
3 months ended 31/03/2015	12.6	27.3	0.4	-	40.3

3.6.6. Operating data

a) Operating income

Reconciliation of EBITDA with EBIT:

€000		3 months ended 31/03/2014
EBITDA	77,772	53,521
Amortisation and depreciation charges	(31,937)	(28,562)
Provision charges and reversals (1)	(634)	867
EBITA	45,201	25,826
Amortisation of customer relations	(4,922)	(1,758)
EBIT	40,279	24,068

- (1) The €(634) thousands are broken down in the consolidated income statement as follows: €2,050 thousands under "Other purchases and external costs", €(1,444) thousands under "Other operating expenses and income", €(570) thousands under "Restructuring costs" and €(670) thousands under "Staff costs".

b) Trade and other receivables

€000		31/12/2014
Trade receivables	1,002,911	908,010
Impairment provisions	(21,090)	(21,563)
Trade receivables	981,821	886,447
Tax and social security receivables	81,100	87,046
Advances and down payments	7,592	8,183
Pre-paid expenses	56,362	50,615
Other miscellaneous receivables	20,438	18,930
Other receivables	165,492	164,774
Current tax receivables	53,821	38,558

Tax and social security receivables largely relate to deductible VAT.

The Group did not sell any trade or non-trade receivables to third parties as at 31 March 2015 and as at 31 December 2014.

c) Trade and other payables

€000		31/12/2014
Trade payables	649,784	655,860
Current tax payables	13,425	11,224
Other tax payables	114,995	110,693
Other social security payables	211,320	212,400
Other current payables	83,247	78,902
Other debt	409,562	401,995

3.6.7. Employee benefits and costs

a) Officers and directors' remuneration (Related parties)

- **Gross remuneration awarded to managerial bodies**

€000		31/03/2014
Nature of expense		
Short-term staff benefits	1,176	526
Post-employment benefits		
Other long-term benefits		
Termination benefits		
Staff benefits in respect of stock options, share warrants and performance-based shares	97	88
Attendance fees	74	63

- **Remuneration awarded to officers and directors in the form of shares**

		31/03/2014
Subscriptions during the financial period		
Warrants		
Performance-based shares		
Exercised during the financial period		
Warrants		
Performance-based shares		
Cancellations during the financial period		
Warrants		
Performance-based shares		
Held at end of financial period		
Warrants	110,000	140,000
Performance-based shares	2,000	1,000

Neither Group employees nor management are entitled to any other benefit. There are no supplementary defined-benefit salary-based pensions for officers and directors.