

# COMPAGNIE PLASTIC OMNIUM

## 2016 Interim Results Report

### CONTENTS

	PAGE
DECLARATION BY THE PERSON RESPONSIBLE FOR INTERIM FINANCIAL REPORT	2
INTERIM BUSINESS REVIEW	3 - 9
CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2015	10 - 67
STATUTORY AUDITOR'S REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION	68 - 69

## **DECLARATION BY THE PERSON RESPONSIBLE FOR INTERIM FINANCIAL REPORT**

I declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the six months ended June 30, 2016 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and the results of both the Company and the consolidated companies. The information in the attached interim activity report gives a true and fair view of the significant events which took place during the first six months of the year, their impact on the financial statements, and the main related-party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the year.

Levallois, July 26, 2016

Laurent Burelle

Chairman and CEO

# ACTIVITY REPORT: INTERIM 2016 RESULTS

## SIGNIFICANT EVENTS IN THE FIRST HALF OF 2016

### *Appointment*

On January 1, 2016, Jean-Michel Szczerba, Director and Chief Operating Officer, was appointed Co-Chief Executive Officer of Plastic Omnium alongside Laurent Burelle, Group Chairman and Chief Executive Officer.

### *Two new plants commissioned*

Compagnie Plastic Omnium is committed to supporting carmakers worldwide and to expanding its industrial capacity in high-growth regions for auto production. It continues to strengthen its footprint in these regions.

During the first half of 2016, Plastic Omnium commissioned an exterior components plant in the United Kingdom (Warrington-Liverpool) and a front-end module plant in Mexico (San Jose Chiapa). Four plants are under construction: an additional two in Mexico, one in China and one in India.

Announced in January 2016, the closure of the Laval fuel systems production site (Mayenne) will take place on July 31, 2016. Activity at the Laval site, which employs 93 people, declined by 60% between 2011 and 2015, falling from an annual production rate of 880,000 fuel systems to 350,000, with no recovery in sight. An agreement has been signed with the unions on means of assisting and reclassifying personnel.

### *Continuing investment in R&D*

With capital expenditure in high-growth regions, innovation is the Group's other driver of growth. Compagnie Plastic Omnium is continuing to pour significant resources into Research & Development.

Technological innovations contribute greatly to the Group's growth: they are supported by legislation that is becoming increasingly stringent worldwide in terms of polluting emissions (CO<sub>2</sub> and nitrogen oxide (NO<sub>x</sub>)). Compagnie Plastic Omnium develops solutions to reduce emissions using two main levers: making vehicles lighter and more aerodynamic, and emissions control systems.

In first-half 2016, Plastic Omnium recorded further success for its innovative product offers.

After starting production of its first carbon fiber part for BMW in 2015, the Group won an order for a new structural part in carbon composite, with the first delivery slated for early 2017.

Plastic Omnium has also won a contract covering all exterior parts for a fully electric vehicle.

The aerodynamics offer, contributing to a reduction in vehicle CO<sub>2</sub> emissions, has also been enhanced, notably with a mobile spoiler for Porsche.

In the field of fuel systems, pre-production for the first plastic tank for plug-in hybrid vehicles has started in South Korea. It will equip a Hyundai vehicle by the end of the year. By 2018, seven additional models for three other automakers in Asia and Europe will be fitted with this innovation from Plastic Omnium.

Lastly, placing innovation at the heart of its development strategy, the Group has appointed a Chief Scientific Officer, a newly created position reporting to Executive Management.

***Confirmation of the success of the SCR emissions control system for diesel vehicles***

Plastic Omnium is currently developing a technique to reduce nitrogen oxide (NOx) emissions from diesel vehicles. It is known as SCR (Selective Catalytic Reduction). SCR technology is based on the injection of an aqueous urea solution called AdBlue® into the exhaust system. When it comes into contact with hot gases, AdBlue is converted by hydrolysis into ammonia, which then reacts with the nitrogen oxide to emit non-polluting water and nitrogen. The system reduces NOx by up to 95%, giving diesel vehicles a lower level of NOx emissions than gasoline vehicles already compatible with future environmental standards.

Plastic Omnium's production volumes, which amounted to 600,000 units in 2015, are expected to grow to 2.7 million units by 2019.

***Strategic development of Plastic Omnium in Automobile External Systems***

On December 14, 2015, Compagnie Plastic Omnium signed an MOU (Memorandum of Understanding) with the Faurecia Group to acquire its Exterior Systems business (bumpers and front-end modules) for an enterprise value of €665 million.

After completing procedures with employee representative bodies, Compagnie Plastic Omnium signed the Sale & Purchase Agreement (SPA) for Faurecia's Automotive Exteriors Systems business on April 18, 2016.

The European Commission authorized the acquisition on July 11, 2016, subject to the completion of a number of disposals.

The deal will be closed on July 29, 2016.

It is described in greater detail in the *Outlook* section of this document.

***Purchase of treasury shares and cancellation of shares***

On March 21, 2016, Compagnie Plastic Omnium canceled 1.1 million treasury shares acquired between January and March 2016 for the amount of €32.7 million. This strengthens the control of the majority shareholder Burelle SA, bringing its interest to 57.01%.

In May and June 2016, Compagnie Plastic Omnium purchased an additional 347,031 of its own shares for €9.8 million.

At June 30, 2016, Compagnie Plastic Omnium held 2.81% of its own shares.

***Bond issue***

The Group redeemed early the variable share of its 2012 Schuldschein private placement, in the amount of €74 million, and established new financing of the same type in the amount of €300 million with a longer maturity (7 years) and a fixed interest rate of 1.48%.

**CONSOLIDATED INTERIM 2016 RESULTS**

Compagnie Plastic Omnium’s **economic sales** amounted to €3,179.5 million in first-half 2016, an increase of 8.0% as reported and 11.0% at constant exchange rates.

Currency effects amounted to €91 million.

**Consolidated sales** grew by 7.5% as reported, with an increase of 10.4% at constant exchange rates.

In €M, by segment	First-half 2015	First-half 2016	% change	At constant scope and exchange rates
Automotive	2,753.0	2,992.8	+8.7%	+11.9%
Environment	192.3	186.7	-2.9%	-2.1%
<b>Economic sales<sup>1</sup></b>	<b>2,945.3</b>	<b>3,179.5</b>	<b>+8.0%</b>	<b>+11.0%</b>
<b>Consolidated sales<sup>2</sup></b>	<b>2,474.3</b>	<b>2,660.0</b>	<b>+7.5%</b>	<b>+10.4%</b>

Plastic Omnium Automotive Division’s economic sales were €2,992.8 million. They were up 8.7% as reported and 11.9% at constant exchange rates on an increase of 2.2% in global automotive production in first-half 2016, outperforming the market by 9.7 percentage. This reflects the strength of the backlog, the commissioning of new production capacity (Mexico, United Kingdom), and the success of the innovative products portfolio.

The sales of the Environment Division recovered in the second quarter, with growth of 2.0% at constant exchange rates. Over first-half 2016 as a whole, activity was down 2.1% at €186.7 million. Sales momentum was good, and the offer of products and services has been enhanced.

Growth in economic sales by region broke down as follows:

In €M and as a % of sales, by geographic region	First -half 2015	First -half 2016	% change	At constant scope and exchange rates
Europe/Africa	1,558.7 53%	1,742.9 55%	+11.8%	+13.7%
North America	804.4 27%	832.3 26%	+3.5%	+4.1%
South America	83.3 3%	75.5 2%	-9.3%	+24.7%
Asia	498.9 17%	528.7 17%	+6.0%	+11.7%
<b>Economic sales<sup>1</sup></b>	<b>2,945.3</b> 100%	<b>3,179.5</b> 100%	<b>+8.0%</b>	<b>+11.0%</b>
<b>Consolidated sales<sup>2</sup></b>	<b>2,474.3</b>	<b>2,660.0</b>	<b>+7.5%</b>	<b>+10.4%</b>

Sales growth was driven by Europe and Asia.

In Europe, 33 new programs were launched during first-half 2016. Activity was particularly strong in France (+10.7%) and Spain (+11.5%), as well as the United Kingdom (+27.3%, driven at Jaguar

<sup>1,2</sup> The financial aggregates are defined in the glossary

Land Rover by bumpers for the new Jaguar XE and XJ and by bumpers and tailgates for the new F-Pace SUV in early 2016). In addition, SCR systems for reducing diesel vehicle emissions enjoyed further growth worldwide, with an increase of 37% over the half-year to €129 million in sales, of which two-thirds were in Europe.

Sales in Asia increased by 11.7% at constant exchange rates. Growth in China, which represents sales of €268 million, or 8% of total sales, activity gained pace in first-half 2016. The increase in activity at constant exchange rates was 14.5%, on automotive production up 5.6%. The Group has benefited from high investment made over the past three years to strengthen the country's industrial footprint and win market share. The 25 plants now run by the Group in China (of which 13 plants built between 2013 and 2015) are seeing their loading gradually swell with the numerous new orders now reaching the production line.

In the rest of Asia, business growth was 9.0%, driven by South Korea, Japan and India.

Sales in North America grew by 7.0% at constant exchange rates in the second quarter, after being penalized in first-quarter 2016 by production outages in Mexico resulting from model changes by carmakers. As of second-half 2016, North America will be a major growth area for the Group, with the commissioning of new capacities in Mexico.

In first-half 2016, the Volkswagen Group remained the Group's biggest customer, accounting for 18% of automotive sales (compared with 16% in first-half 2015, with growth coming mainly from the Audi and Skoda brands), ahead of the General Motors Group (15%) and the PSA Peugeot Citroën Group (12%). The JLR group saw the largest increase and now represents 7% of automotive sales, compared with 5% in first-half 2015.

By nationality, German carmakers were the leading contributors to automotive sales, with 31% of this business, ahead of American (27%), Asian (20%) and French (19%) carmakers.

**The consolidated gross** profit was €463.2 million, up from €423.0 million in first-half 2015. This represents 17.4% of sales, up from 17.1% in first-half 2015.

**Research and development expenses**, in gross value, were up 11% at €156.6 million, compared with €140.6 million in first-half 2015. In net value, i.e. after capitalization and rebilling to customers, expenditure amounted to €65.6 million, compared with €52.0 million in first-half 2015. This represents 2.5% of sales.

**Selling expenses** totaled €26.8 million, or 1.0% of sales, compared with €30.1 million or 1.2% of sales in first-half 2015.

**Administrative expenses** totaled €115.8 million in first-half 2016, compared with €111.6 million in first-half 2015, i.e. 4.4% and 4.5% of sales respectively.

The **operating margin**<sup>2</sup> was up 12.7% at €267.4 million, an all-time high 10.1% of consolidated sales, compared with 9.6% in first-half 2015.

Operating margin for the Automotive Division amounted to €255.3 million in first-half 2016 (10.3% of consolidated sales), compared with €226.2 million in first-half 2015 (9.9% of consolidated sales). The Automotive Division benefited from a high utilization rate (85%) of its production capacity worldwide. The improved operating margin was also supported by the operational excellence of the 88 new programs launched during the first six months of the year together with strict cost control.

Plastic Omnium Environnement's operating margin rose to €12.1 million, or 6.5% of sales in first-half 2016, compared with €11.1 million and 5.8% of sales in first-half 2015.

---

<sup>2</sup> The financial aggregates are defined in the glossary

## COMPAGNIE PLASTIC OMNIUM –2016 Interim Results Report

---

Other **operating income and expenses** represented an expense of €33.2 million, and mainly comprised restructuring expenses and asset impairments.

**Net financial income and expense** was an expense of €31.4 million, representing 1.2% of first-half 2016 sales, compared with 1.1% in first-half 2015 (€26.5 million).

**Tax expense** was €44.3 million, compared with €41.9 million in first-half 2015, i.e. an effective tax rate of 24.5%, compared with 24.2%.

**Net income** amounted to €158.4 million, or 6.0% of sales, compared with 5.8% in first-half 2015. It was up 9.6%.

**Net profit (loss)-Group share** increased by 9.5% to €155.3 million, compared with €141.8 million in first-half 2015.

### FINANCIAL POSITION AND CHANGE IN NET DEBT

Consolidated **EBITDA** was up 10.5% at €383.3 million (14.4% of consolidated sales) and cash flow from operations was up 8.1% at €347 million (13.1% of consolidated sales).

Committed to a sustained capex program of €2 billion over the 2016-2020 period, the Group invested €174 million in first-half 2016, i.e. 6.5% of consolidated sales. Plastic Omnium commissioned an exterior components plant in the United Kingdom (Warrington-Liverpool) and a front-end module plant in Mexico (San Jose Chiapa). Four plants are under construction: an additional two in Mexico, one in China and one in India.

The Group generated **free cash flow**<sup>3</sup> of €92 million in first-half 2016, representing 3.4% of its sales.

Net debt amounted to €263 million, down €5 million compared with December 31, 2015, after the payment of €61 million in dividends and the buyback of treasury securities in the amount of €33 million. It now represents 20% of equity and 0.4x EBITDA.

### RELATED PARTIES

Related parties as of June 30, 2016 are identical to those identified as of December 31, 2015, and transactions with them were also of a similar nature during the period under review.

---

<sup>3</sup> The financial aggregates are defined in the glossary

## **OUTLOOK**

Over the whole of 2016, at constant scope, Plastic Omnium will be driven by the same dynamic as in the first half-year and will continue its profitable growth generating free cash-flow.

On July 11, 2016, Plastic Omnium received approval from the European competition authorities to go ahead with the acquisition of Faurecia's Exteriors Systems activity, subject to disposal commitments. These commitments represent approximately €700 million in sales, half of which coming from the disposal of the French sites and a Spanish site for the bumpers business, and half from the front-end module assembly business in Germany.

Sales acquired by Plastic Omnium total €1.2 billion. This includes €1.1 billion in sales in the bumper activity, of which €800 million in Germany, where Plastic Omnium did not previously have an exterior body systems production activity.

The acquisition, immediately accretive, will generate an annual operating margin of €50 million and, as initially announced, an additional €70 million in synergies by 2019.

The transaction will close on July 29, 2016 for the entire scope, for an agreed enterprise value of €665 million. It will be financed from the Group's own resources.

The acquisition creates new relationships with Audi, Mercedes and Ford, and strengthens ties with other customers, notably Volkswagen, Seat and PSA, as well as BMW and Fiat Chrysler Automobiles (FCA). Lastly, it increases the size of Plastic Omnium Auto Exterior by 50%, and adds an R&D center with 300 employees in Germany to the 1,300 engineers around the world who are already developing systems for this division that are lighter, more aerodynamic and more integrated.

With this transaction, Plastic Omnium confirms its position as world leader in auto exterior systems, with its global market share reaching 15%. It creates industrial coverage with 5 new plants in Germany, which is now the country that is the largest contributor to revenue for the Auto Exterior division and for the group. With three additional plants, it doubles the production of the Auto Exterior Division in Spain. It also reinforces business in eastern Slovakia, in Belgium and in America.

Lastly, it increases the size of Plastic Omnium Auto Exterior by 50%, and adds an R&D center with 300 employees in Germany to the 1,300 engineers around the world who are already developing systems for this division that are lighter, more aerodynamic and more integrated. This increases the capacity for innovation and growth to meet the challenges to come from advances in technology.

The Plastic Omnium Group will as such be strengthened, generating proforma economic sales around €7.5 billion in 2016, 60% in Europe, 26% in the Americas and 14% in Asia. It will have more than 32,000 employees, 136 plants and 22 R&D centers worldwide.

## **RISKS ON THE SECOND HALF**

The risk factors of Compagnie Plastic Omnium remain those identified in the Group's management report as of end-December 2015.

**Glossary**

- (1) Economic sales corresponds to the consolidated sales of the Group plus sales from the Group's joint ventures, consolidated at their percentage of ownership. BPO, HBPO and YFPO for Plastic Omnium Automotive. The figure reflects the operational and managerial realities of the Group.
- (2) The consolidated sales, in implementation of IFRS 10-11-12, does not include the share of joint ventures, which are consolidated by using the equity method.
- (3) The operating margin corresponds to the operating results, including the share of the results for companies which have been consolidated by using the equity method, and the amortization of intangible assets acquired in business combinations, before other operating income and expenses.
- (4) EBITDA corresponds to the operating margin, which includes the share of the results of associates and joint ventures before depreciation charges and operating provisions.
- (5) Free cash flow corresponds to the operating cash flow, less tangible and intangible investments net of disposals, taxes and net interest paid +/- variation of the working capital requirements (cash surplus from operations).
- (6) Net debt includes all of the long-term borrowings, short-term loans and bank overdrafts, less loans, marketable debt instruments and other non-current financial assets, and cash and cash equivalents.

**CONSOLIDATED FINANCIAL STATEMENTS**  
**AT JUNE 30, 2016**

**Financial Indicators**

In the context of its financial communication, the Group uses financial indicators based on consolidated data from the consolidated financial statements issued in accordance with IFRS as adopted within the European Union.

As indicated in Note 3.1 to the consolidated financial statements as of June 30, 2016 relating to segment information, for operational management purposes the Group uses economic sales, which corresponds to the consolidated sales of the Group and its joint ventures up to the Group’s percentage stake: HBPO, a German company and world leader in front-end modules, Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, BPO, a major player in the Turkish market for exterior equipment, and Plastic Recycling, a specialist company in plastics recycling.

Reconciliation between economic sales and consolidated sales:

In thousands of euros	First-half 2016	First-half 2015
<b>Economic sales (revenue)</b>	<b>3,179,491</b>	<b>2,945,285</b>
<i>Including Sales from joint ventures at the Group’s percentage stake</i>	<i>519,457</i>	<i>471,023</i>
<b>Consolidated sales (revenue)</b>	<b>2,660,034</b>	<b>2,474,262</b>



**BALANCE SHEET**

In thousands of euros	Notes	June 30, 2016	December 31, 2015
<b>ASSETS</b>			
Goodwill	3.1.2 - 5.1.1	286,802	287,496
Other intangible assets	3.1.2	395,845	381,164
Property, plant and equipment	3.1.2	1,138,916	1,149,215
Investment property	3.1.2 - 5.1.2	93,263	93,263
Investments in associates and joint ventures	5.1.3	154,994	159,073
Available-for-sale financial assets <sup>(1) (2)</sup>	5.1.4 - 5.2.4.5	1,813	1,528
Other non-current financial assets <sup>(1)</sup>	5.1.5 - 5.2.4.5	73,863	64,740
Deferred tax assets		99,464	87,310
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,244,960</b>	<b>2,223,789</b>
Inventories	3.1.2 - 5.1.6	356,780	347,413
Finance receivables <sup>(1)</sup>	5.1.7 - 5.2.4.5	24,093	18,833
Trade receivables	3.1.2 - 5.1.8.2 - 5.1.8.4 - 6.2.1	709,465	577,855
Other	3.1.2 - 5.1.8.3 - 5.1.8.4	244,911	225,689
Other financial assets and financial receivables <sup>(1)</sup>	5.1.7 - 5.2.4.5	32,091	27,010
Hedging instruments <sup>(1)</sup>	3.1.2 - 5.2.4.5 - 5.2.5	4,245	1,558
Cash and cash equivalents <sup>(1)</sup>	3.1.2 - 5.1.9.2 - 5.2.4.5	828,877	663,156
<b>TOTAL CURRENT ASSETS</b>		<b>2,200,462</b>	<b>1,861,514</b>
<b>Assets held for sale</b>		<b>4,396</b>	<b>5,780</b>
<b>TOTAL ASSETS</b>		<b>4,449,818</b>	<b>4,091,083</b>
<b>EQUITY AND LIABILITIES</b>			
Capital	5.2.1.1	9,149	9,215
Treasury stock		(56,273)	(52,502)
Additional paid-in capital		17,389	38,637
Consolidated reserves		1,184,460	1,012,773
Net income for the period		155,315	258,374
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>1,310,040</b>	<b>1,266,497</b>
Attributable to non-controlling interests		22,221	20,822
<b>TOTAL EQUITY</b>		<b>1,332,261</b>	<b>1,287,319</b>
Non-current borrowings <sup>(1)</sup>	3.1.2 - 5.2.4.5	1,155,310	921,148
Provisions for pensions and other post-employment benefits	5.2.3	112,833	101,991
Provisions for liabilities and charges	5.2.3	32,921	34,498
Non-current government grants		13,091	13,875
Deferred tax liabilities		60,188	59,704
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,374,343</b>	<b>1,131,216</b>
Bank overdrafts <sup>(1)</sup>	3.1.2 - 5.1.9.2 - 5.2.4.5 - 6.3.1	4,541	15,891
Current borrowings <sup>(1)</sup>	3.1.2 - 5.2.4.5	55,507	94,188
Current debt <sup>(1)</sup>	3.1.2 - 5.2.4.5 - 6.3.1	153	4
Hedging instruments <sup>(1)</sup>	3.1.2 - 5.2.4.5 - 5.2.5 - 6.3.1	12,546	12,757
Provisions for liabilities and charges	5.2.3	40,029	35,019
Current government grants		246	281
Trade payables	5.2.6.1 - 5.2.6.3 - 6.3.1	1,075,603	1,010,431
Other operating liabilities	5.2.6.2 - 5.2.6.3	554,589	503,977
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,743,214</b>	<b>1,672,548</b>
<b>Liabilities related to assets held for sale</b>		<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,449,818</b>	<b>4,091,083</b>

(1) Components of net debt. Net debt stood at €263.5 million at June 30, 2016 compared with €267.5 million at December 31, 2015 (see Note 5.2.4.5).

(2) Of which €1,427 thousand at June 30, 2016 and €1,172 thousand at December 31, 2015, respectively, are included in the calculation of net debt (see Notes 5.1.4 and 5.2.4.5).

**INCOME STATEMENT**

In thousands of euros	Notes	First-half 2016	%	First-half 2015	%
<b>CONSOLIDATED SALES (REVENUE)</b>	<b>3.1.1 - 3.1.4.1 - 3.1.4.2</b>	<b>2,660,034</b>	<b>100.0%</b>	<b>2,474,262</b>	<b>100.0%</b>
Cost of goods and services sold	4.2	(2,196,831)	-82.6%	(2,051,273)	-82.9%
<b>GROSS PROFIT</b>		<b>463,203</b>	<b>17.4%</b>	<b>422,989</b>	<b>17.1%</b>
Net research and development costs	4.1 - 4.2	(65,637)	-2.5%	(51,957)	-2.1%
Selling costs	4.2	(26,835)	-1.0%	(30,109)	-1.2%
Administrative expenses	4.2	(115,760)	-4.4%	(111,646)	-4.5%
<b>OPERATING MARGIN before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures</b>	<b>3.1.1</b>	<b>254,971</b>	<b>9.6%</b>	<b>229,276</b>	<b>9.3%</b>
Amortization of intangible assets acquired in business combinations <sup>(1)</sup>	3.1.1 - 4.3	(9,382)	-0.4%	(9,389)	-0.4%
Share of profit/loss of associates and joint ventures	3.1.1 - 4.4	21,853	0.8%	17,433	0.7%
<b>OPERATING MARGIN<sup>(2)</sup></b>	<b>3.1.1</b>	<b>267,442</b>	<b>10.1%</b>	<b>237,320</b>	<b>9.6%</b>
Other operating income	3.1.1 - 4.5	12,078	0.5%	12,445	0.5%
Other operating expenses	3.1.1 - 4.5	(45,305)	-1.7%	(36,720)	-1.5%
Finance costs, net	3.1.1 - 4.6	(25,754)	-1.0%	(22,878)	-0.9%
Other financial income and expenses, net	3.1.1 - 4.6	(5,687)	-0.2%	(3,584)	-0.1%
<b>PROFIT FROM CONTINUING OPERATIONS before income tax and after share of profits of associates and joint ventures</b>	<b>3.1.1</b>	<b>202,774</b>	<b>7.6%</b>	<b>186,582</b>	<b>7.5%</b>
Income tax	3.1.1 - 4.7	(44,327)	-1.7%	(41,949)	-1.7%
<b>Net income</b>	<b>3.1.1</b>	<b>158,447</b>	<b>6.0%</b>	<b>144,633</b>	<b>5.8%</b>
Net profit attributable to non-controlling interests	4.8	3,132	0.1%	2,801	0.1%
<b>Net profit attributable to owners of the parent company</b>		<b>155,315</b>	<b>5.8%</b>	<b>141,832</b>	<b>5.7%</b>
<b>Earnings per share attributable to owners of the parent company</b>	<b>4.9</b>				
Basic earnings per share (in euros) <sup>(3)</sup>		1.05		0.96	
Diluted earnings per share (in euros) <sup>(4)</sup>		1.04		0.94	

(1) Intangible assets acquired in business combinations.

(2) Operating margin after amortization of intangible assets acquired in business combinations and after share of profit of associates and joint ventures. In 2014 the Group modified the presentation of the share of profit/(loss) of associates and joint ventures in the consolidated income statement; it is now shown at the operating margin level. From January 1, 2016 forward the value-added tax (CVAE) is shown as part of income tax and no longer as part of gross profit/operating margin. Figures in first-half 2015 have not been modified.

(3) Basic earnings per share are calculated using the weighted average number of ordinary shares outstanding, less the average number of shares held in treasury stock.

(4) Diluted earnings per share take into consideration the average number of treasury shares deducted from equity and shares which might be issued under stock option programs.

**STATEMENT OF COMPREHENSIVE INCOME**

In thousands of euros	First-half 2016			First-half 2015		
	Total	Gross	Tax	Total	Gross	Tax
<b>Net profit for the period – Group share<sup>(1)</sup></b>	<b>155,315</b>	<b>198,924</b>	<b>(43,609)</b>	<b>141,832</b>	<b>182,969</b>	<b>(41,137)</b>
<b>Reclassified to the income statement</b>	<b>(11,305)</b>	<b>(11,265)</b>	<b>(40)</b>	<b>35,348</b>	<b>36,505</b>	<b>(1,157)</b>
<b>Reclassified in the period</b>	<b>272</b>	<b>411</b>	<b>(139)</b>	<b>1,134</b>	<b>1,830</b>	<b>(696)</b>
Cash flow hedges - Interest rate instruments reclassified to the income statement	272	411	(139)	1,134	1,830	(696)
<b>Reclassified at a later date</b>	<b>(11,577)</b>	<b>(11,676)</b>	<b>99</b>	<b>34,214</b>	<b>34,675</b>	<b>(460)</b>
Exchange differences on translating foreign operations	(11,383)	(11,383)	-	33,263	33,263	-
Cash flow hedges	(194)	(293)	99	951	1,412	(460)
Gains/(losses) for the period - Interest rate instruments	-	-	-	951	1,412	(460)
<b>Cannot be reclassified to the income statement at a later date</b>	<b>(6,909)</b>	<b>(9,239)</b>	<b>2,330</b>	<b>(56)</b>	<b>(56)</b>	<b>-</b>
Actuarial gains/(losses) recognized in equity	(6,909)	(9,239)	2,330	(56)	(56)	-
<b>Other comprehensive income</b>	<b>(18,214)</b>	<b>(20,504)</b>	<b>2,290</b>	<b>35,292</b>	<b>36,449</b>	<b>(1,157)</b>
<b>Comprehensive income – Group share<sup>(2)</sup></b>	<b>137,101</b>	<b>178,420</b>	<b>(41,319)</b>	<b>177,124</b>	<b>219,418</b>	<b>(42,294)</b>
<b>Net profit for the period attributable to non-controlling interests</b>	<b>3,132</b>	<b>3,849</b>	<b>(717)</b>	<b>2,801</b>	<b>3,614</b>	<b>(813)</b>
<b>Reclassified to the income statement</b>	<b>(245)</b>	<b>(245)</b>	<b>-</b>	<b>1,689</b>	<b>1,689</b>	<b>-</b>
<b>Reclassified at a later date</b>	<b>(245)</b>	<b>(245)</b>	<b>-</b>	<b>1,689</b>	<b>1,689</b>	<b>-</b>
Exchange differences on translating foreign operations	(245)	(245)	-	1,689	1,689	-
<b>Other comprehensive income</b>	<b>(245)</b>	<b>(245)</b>	<b>-</b>	<b>1,689</b>	<b>1,689</b>	<b>-</b>
<b>Comprehensive income attributable to non-controlling interests</b>	<b>2,887</b>	<b>3,604</b>	<b>(717)</b>	<b>4,490</b>	<b>5,303</b>	<b>(813)</b>
<b>Total comprehensive income</b>	<b>139,988</b>	<b>182,024</b>	<b>(42,036)</b>	<b>181,614</b>	<b>224,721</b>	<b>(43,107)</b>

(1) Net profit for the period attributable to owners of the parent amounted to €91,082 thousand at June 30, 2016, compared with €83,369 thousand at June 30, 2015.

(2) Total net profit attributable to owners of the parent amounted to €80,410 thousand at June 30, 2016, compared with €104,113 thousand at June 30, 2015.

**CHANGE IN EQUITY**

 In thousands of euros  
 (In thousand units for the number of shares)

Shareholders' equity

	Number of shares	Capital	Additional paid-in capital	Treasury stock	Other reserves	(1)	Translation adjustment	Net profit for the period	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
<b>Equity at December 31, 2014</b>	<b>153,577</b>	<b>9,215</b>	<b>38,637</b>	<b>(33,948)</b>	<b>811,071</b>	<sup>(1)</sup>	<b>4,712</b>	<b>224,553</b>	<b>1,054,239</b>	<b>17,749</b>	<b>1,071,988</b>
Appropriation of net profit at December 2014	-	-	-	-	224,553	-	-	(224,553)	-	-	-
First-half 2015 net profit	-	-	-	-	-	-	-	141,832	141,832	2,801	144,633
Other comprehensive income	-	-	-	-	2,029	-	33,263	-	35,292	1,689	36,981
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	-	-	33,263	-	33,263	1,689	34,952
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	(56)	-	-	-	(56)	-	(56)
<i>Cash flow hedges - Interest rate instruments</i>	-	-	-	-	2,085	-	-	-	2,085	-	2,085
Comprehensive income	-	-	-	-	226,582	-	33,263	(82,721)	177,124	4,490	181,614
Treasury stock transactions	-	-	-	(19,646)	814	-	-	-	(18,832)	-	(18,832)
Tax effect of treasury stock transactions	-	-	-	-	(308)	-	-	-	(308)	-	(308)
Change in scope of consolidation and reserves <sup>(2)</sup>	-	-	-	-	(417)	-	-	-	(417)	-	(417)
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	(54,833)	-	-	-	(54,833)	-	(54,833)
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	-	(3)	(3)
Stock option costs	-	-	-	-	1,134	-	-	-	1,134	-	1,134
<b>Equity at June 30, 2015</b>	<b>153,577</b>	<b>9,215</b>	<b>38,637</b>	<b>(53,594)</b>	<b>984,043</b>	<sup>(1)</sup>	<b>37,975</b>	<b>141,832</b>	<b>1,158,107</b>	<b>22,236</b>	<b>1,180,343</b>
Second-half 2015 net profit	-	-	-	-	-	-	-	116,542	116,542	1,666	118,208
Other comprehensive income	-	-	-	-	(2,068)	-	(9,821)	-	(11,889)	(1,285)	(13,174)
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	(68)	-	(9,821)	-	(9,889)	(1,280)	(11,169)
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	(2,399)	-	-	-	(2,399)	(5)	(2,404)
<i>Cash flow hedges - Interest rate instruments</i>	-	-	-	-	399	-	-	-	399	-	399
Comprehensive income	-	-	-	-	(2,068)	-	(9,821)	116,542	104,653	381	105,034
Treasury stock transactions	-	-	-	1,092	464	-	-	-	1,556	-	1,556
Tax effect of treasury stock transactions	-	-	-	-	308	-	-	-	308	-	308
Change in scope of consolidation and reserves <sup>(2)</sup>	-	-	-	-	(18)	-	-	-	(18)	797	779
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	-	(2,592)	(2,592)
Stock option costs	-	-	-	-	1,891	-	-	-	1,891	-	1,891
<b>Equity at December 31, 2015</b>	<b>153,577</b>	<b>9,215</b>	<b>38,637</b>	<b>(52,502)</b>	<b>984,620</b>	<sup>(1)</sup>	<b>28,154</b>	<b>258,374</b>	<b>1,266,497</b>	<b>20,822</b>	<b>1,287,319</b>
Appropriation of net profit at December 2015	-	-	-	-	258,374	-	-	(258,374)	-	-	-
First-half 2016 net profit	-	-	-	-	-	-	-	155,315	155,315	3,132	158,447
Other comprehensive income	-	-	-	-	(6,831)	-	(11,383)	-	(18,214)	(245)	(18,459)
<i>Exchange differences on translating foreign operations</i>	-	-	-	-	-	-	(11,383)	-	(11,383)	(245)	(11,628)
<i>Actuarial gains/(losses) recognized in equity</i>	-	-	-	-	(6,909)	-	-	-	(6,909)	-	(6,909)
<i>Cash flow hedges - Interest rate instruments</i>	-	-	-	-	272	-	-	-	272	-	272
<i>Cash flow hedges - Currency instruments</i>	-	-	-	-	(194)	-	-	-	(194)	-	(194)
Comprehensive income	-	-	-	-	251,543	-	(11,383)	(103,059)	137,101	2,887	139,988
Treasury stock transactions	-	-	(21,248)	(3,771)	(8,059)	-	-	-	(33,078)	-	(33,078)
Capital reduction (cancellation of treasury stock)	(1,100)	(66)	-	-	-	-	-	-	(66)	-	(66)
Change in scope of consolidation and reserves <sup>(2)</sup>	-	-	-	-	(1,812)	-	-	-	(1,812)	(1,488)	(3,300)
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	(60,512)	-	-	-	(60,512)	-	(60,512)
Dividends paid by other Group companies	-	-	-	-	2	-	-	-	2	-	2
Stock option costs	-	-	-	-	1,909	-	-	-	1,909	-	1,909
<b>Equity at June 30, 2016</b>	<b>152,477</b>	<b>9,149</b>	<b>17,389</b>	<b>(56,273)</b>	<b>1,167,691</b>	<sup>(2)</sup>	<b>16,771</b>	<b>155,315</b>	<b>1,310,040</b>	<b>22,221</b>	<b>1,332,261</b>

(1) See Note 5.2.1.2 for details of "Other reserves and retained earnings".

(2) See Note 5.2.1.3 for details of "Changes in scope of consolidation and reserves".

The dividend paid in the first half of 2016 by Compagnie Plastic Omnium in respect of the 2015 fiscal year was €0.41 per share compared with €0.37 per share paid in the first half of 2015 in respect of the 2014 fiscal year (see Note 5.2.2. on dividends voted and paid).

**STATEMENT OF CASH FLOWS**

In thousands of euros	Notes	First-half 2016	2015 Fiscal Year	First-half 2015
<b>I - CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	3.1.1	158,447	262,841	144,633
Dividends received from associates and joint ventures		21,201	24,887	24,887
Non-cash items		167,711	318,389	151,810
Share of profit/(loss) of associates and joint ventures	4.4	(21,853)	(34,749)	(17,433)
Stock option plan expense		1,909	3,025	1,134
Other adjustments		(3,123)	(1,715)	(6,649)
Depreciation and provisions for impairment of fixed assets	3.1.3	68,576	144,809	75,075
Depreciation and provisions for impairment of intangible assets	3.1.3	47,058	80,852	37,101
Changes in provisions		5,698	2,384	(619)
Net (gains)/losses on disposals of non-current assets	4.5(a)	1,923	887	720
Proceeds from operating grants recognized in the income statement		(868)	(2,388)	(650)
Current and deferred taxes	4.7.1	44,327	75,200	41,949
Interest expense		24,064	50,084	21,182
<b>NET OPERATING CASH GENERATED BY OPERATIONS BEFORE IMPACT OF FINANCIAL EXPENSES AND INCOME TAX CASH PAYMENTS (A)</b>		<b>347,359</b>	<b>606,117</b>	<b>321,330</b>
Change in inventories and work-in-progress - net		(13,971)	(24,649)	(24,086)
Change in trade receivables - net		(146,741)	(81,644)	(61,395)
Change in trade payables		149,571	133,961	77,002
Change in other operating assets and liabilities - net		6,376	5,958	18,978
<b>CHANGE IN WORKING CAPITAL REQUIREMENTS (B)</b>		<b>(4,765)</b>	<b>33,626</b>	<b>10,499</b>
<b>TAXES PAID (C)</b>		<b>(50,355)</b>	<b>(65,262)</b>	<b>(37,127)</b>
Interest paid		(28,295)	(52,465)	(30,182)
Interest received		1,380	2,625	5,911
<b>NET FINANCIAL INTEREST PAID (D)</b>		<b>(26,915)</b>	<b>(49,840)</b>	<b>(24,271)</b>
<b>NET CASH GENERATED BY OPERATING ACTIVITIES (A+B+C+D)</b>		<b>265,324</b>	<b>524,641</b>	<b>270,431</b>
<b>II - CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisitions of property, plant and equipment	3.1.3	(81,477)	(269,311)	(125,566)
Acquisitions of intangible assets	3.1.3	(68,941)	(108,891)	(43,139)
Disposals of property, plant and equipment	4.5(a)	4,015	4,625	2,638
Disposals of intangible assets	4.5(a)	-	7,973	5,519
Net change in advances to suppliers of fixed assets		(27,269)	38,034	(5,061)
Government grants received		(15)	4,916	2,012
<b>NET CASH USED IN OPERATIONS-RELATED INVESTING ACTIVITIES (E)</b>		<b>(173,687)</b>	<b>(322,654)</b>	<b>(163,597)</b>
<b>FREE CASH FLOW (A + B + C + D + E)<sup>(1)</sup></b>		<b>91,637</b>	<b>201,987</b>	<b>106,834</b>
Acquisitions of shares in subsidiaries and associates, investments in associates and joint ventures, and related investments		(3,325)	101	63
Proceeds from disposals of shares in subsidiaries and associates	4.5(a)	-	4	-
Impact of changes in scope of consolidation - Cash and cash equivalents contributed by companies entering the scope of consolidation	5.2.1.3	-	797	-
<b>NET CASH FROM FINANCIAL INVESTING ACTIVITIES (F)</b>		<b>(3,325)</b>	<b>901</b>	<b>63</b>
<b>NET CASH FROM INVESTING ACTIVITIES (E+F)</b>		<b>(177,012)</b>	<b>(321,753)</b>	<b>(163,534)</b>
<b>III - CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increases/reductions in share capital and premiums		(66)		
Purchases/sales of treasury stock		(33,078)	(17,276)	(18,832)
Dividends paid to Burelle SA <sup>(2)</sup>		(35,638)	(32,161)	(32,161)
Dividends paid to other shareholders <sup>(3)</sup>		(24,874)	(25,267)	(22,675)
Increase in financial debt		296,375	41,561	5,094
Repayment of borrowings		(108,587)	(52,950)	(30,596)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES (G)</b>		<b>94,132</b>	<b>(86,094)</b>	<b>(99,171)</b>
Effect of exchange rate changes (H)		(5,373)	(793)	6,782
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E + F + G + H)</b>		<b>177,071</b>	<b>116,001</b>	<b>14,510</b>
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5.1.9.2	647,265	531,264	531,264
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	5.1.9.2	<b>824,336</b>	<b>647,265</b>	<b>545,774</b>

(1) "Free cash flow" is an important concept for Plastic Omnium Group. It is used in all of the Group's external financial communication (press releases) and, in particular, for annual and interim results presentations.

(2) The full amount of the dividend paid to Burelle SA in the two periods was paid by Compagnie Plastic Omnium.

(3) In the first-half of 2016, the dividend paid to other shareholders amounted to €24,874 thousand (compared with €22,672 thousand in the first-half of 2015) and was paid by Compagnie Plastic Omnium, bringing the total amount of dividends paid by Compagnie Plastic Omnium to €60,512 thousand (compared with €54,833 thousand in the first-half of 2015). See Note 5.2.2 "Dividends voted and paid by Compagnie Plastic Omnium".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Plastic Omnium's condensed consolidated financial statements for the six months ended June 30, 2016 were approved by the Board of Directors on July 26, 2016.

**GROUP OVERVIEW**

Compagnie Plastic Omnium, a company governed by French law, was set up in 1946. The bylaws set its duration until April 24, 2112. The Company is registered in the Lyon Trade and Companies Register under number 955 512 611 and its registered office is at 19, boulevard Jules-Carteret, 69 007 Lyon, France.

The terms "Compagnie Plastic Omnium", "the Group" and "the Plastic Omnium Group" all refer to the group of companies comprising Compagnie Plastic Omnium and its consolidated subsidiaries.

The Plastic Omnium Group is a world leader in the transformation of plastic materials for the automotive market (body component modules, fuel storage and distribution systems) representing 93.0% of its consolidated sales (94.1% of its economic sales) and for local authorities (waste collection containers and highway signage) for the remainder of its sales revenue.

Plastic Omnium Group shares have been traded on the Paris Stock Exchange since 1965. Listed on Eurolist in compartment A since January 17, 2013, the Group is part of the SBF 120 and the CAC Mid 60 indices. The Group's main shareholder is Burelle SA, which owned 57.01% of shares (58.65% excluding treasury stock) at June 30, 2016.

The unit of measurement used in the Notes to the consolidated financial statements is thousands of euros, unless otherwise indicated.

**1. ACCOUNTING POLICIES, ACCOUNTING RULES AND PRINCIPLES**

**1.1. Basis of preparation**

The condensed consolidated financial statements for the six months ended June 30, 2016 have been prepared in accordance with IAS 34 "*Interim Financial Reporting*".

These condensed interim consolidated financial statements do not include all of the information required of annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2015.

The accounting policies applied to prepare these condensed interim consolidated financial statements are the same as those used at December 31, 2015, as described in Note 1 "Basis of Preparation" to the 2015 consolidated financial statements, except for those affected by the new standards and the amendments mandatory from January 1, 2016.

Furthermore, as stated at December 31, 2015, the impact of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers", published in 2015 by the IASB with an application date of January 1, 2018 but not yet adopted by the European Union, is currently being analyzed by the Group. At this stage, the analyses have not revealed any material impact.

IFRS16 "Leases" published in early 2016 by the IASB with an application date of January 1, 2019 but not yet adopted by the European Union, is currently being analyzed by the Group. At this point the main impacts identified concern real estate leases.

The Group does not plan to make early application of these standards.

In order to provide more helpful disclosure, comparable to the major companies in its sector, the Group changed the way it presents France's value-added tax (CVAE) in the consolidated income statement from January 1, 2016. It is now presented under income tax and no longer under gross profit/operating margin. Figures for first-half 2015 remain unchanged.

The Group did not opt for early application of standards, interpretations and amendments not mandatory at January 1, 2016.

### **1.2. Preparation of interim consolidated financial statements**

- **Income tax**

Current and deferred tax for the first six months of the year is determined based on an estimated annual tax rate, which is applied to profit before tax for the period excluding any material non-recurring items.

- **Post-employment benefit obligations**

The decline in interest rates in the first half of 2016 led the Group to revalue its commitments in light of lower rates in the eurozone and United States. The rates applied at June 30, 2016, were 1.5% for the eurozone (2% at December 31, 2015) and 4% for the United States (4.5% at December 31, 2015). Rates elsewhere in the world were unchanged from December 31, 2015.

Post-employment benefit obligations for the period are considered to represent one half of the net obligation calculated for 2016 based on actuarial estimates and assumptions applied at December 31, 2015, after correction where necessary for any further employee downsizing plans.

- **Seasonality of operations**

Plastic Omnium's operations are not seasonal in nature.

- **Impairment and depreciation tests**

No indications of impairment were identified by the Group during the period which was characterized by a sound level of activity, profitability and outlook. As a result, no impairment tests were carried out at June 30, 2016.

### **1.3. Use of estimates and assumptions**

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities. At June 30, 2016, estimates and assumptions that could lead to a material adjustment to the carrying amount of assets and liabilities mainly concerned deferred taxes and goodwill.

Goodwill is tested for impairment at each year-end and whenever there is objective evidence that it may be impaired. Impairment tests are based on value in use, which is calculated as the present value of future cash flows.

## **2. SIGNIFICANT EVENTS OF THE PERIOD**

### **2.1. Compagnie Plastic Omnium equity reduction**

On February 24, 2016 the Board of Directors of Compagnie Plastic Omnium voted to cancel 1,100,000 treasury shares, or 0.72% of the share capital. This operation took effect March 21, 2016.

The share capital of Compagnie Plastic Omnium, consisting of shares with a par value of €0.06, was thus brought to €9,148,603.20. See note 5.2.1.1 "Share capital of Compagnie Plastic Omnium".

This operation brings the equity interest of the parent company, the Burelle SA holding company, to 57.01% of the share capital.

### **2.2. Acquisition of the "Exterior Systems" business of the Faurecia Group**

After the Memorandum of Understanding signed on December 14, 2015 with the Faurecia Group, on April 18, 2016 Compagnie Plastic Omnium signed a Sale & Purchase Agreement for its partner's Exterior Systems business (bumpers and front-end modules.) The deal places a valuation on the business of €665 million, which will be financed through the Group's own resources.

Procedures with employee representative bodies have been concluded, and the acquisition was approved by the European Commission on July 11, 2016, subject to certain conditions. To meet the commitments imposed by the European Commission, Plastic Omnium will have to dispose of Faurecia Exterior Systems' French sites, a Spanish site for the bumper activity and the front-end module assembly business in Germany. Sales acquired by Plastic Omnium total €1.2 billion, of which €1.1 billion on the bumper activity (75% of the original scope), mainly in Germany, where Plastic Omnium previously had no production site operating in the production of exterior body systems.

The acquisition date is July 29, 2016, the closing date of the transaction.

Sites that are to be disposed of to meet the requirements imposed by the European Commission will be recorded as "assets held for sale." Other sites will be fully consolidated.

### **2.3. Acquisition of the minority stake in the German company "RMS Rotherm Maschinenbau GmbH"**

On January 27, 2016 the Group acquired the stake in the German-based RMS Rotherm Maschinenbau GmbH from its partners, Messrs. Egbert and Andreas Rotherm. Under the terms of the transaction, ownership is transferred immediately, giving the Group 100% of the company.

Since the company was already controlled by the Group, the method of consolidation remains unchanged.

The impact of this acquisition of minority interests on 2016 consolidated equity will be -€1,812 thousand.

The corporate name "RMS Rotherm Maschinenbau GmbH" was changed to "Plastic Omnium Systems GmbH".

## **2.4. Investments in production capacity**

### **Plant in Warrington in the United Kingdom:**

Construction of a plant in Warrington in the United Kingdom launched in the first half of 2015 has now been completed. Part of the Auto Exterior Branch of the Automotive Division, it has produced exterior body parts for the carmaker Jaguar Land-Rover since June 2016.

Investments amounted to €67.4 million (£50.0 million), including:

- €6.5 million (£5.1 million) in first half 2016;
- €52.8 million (£38.3 million) in 2015;
- €8.1 million (£6.6 million) in 2014.

## **2.5. Closure of the Laval fuel systems production site**

Following the decline in volume at its fuel systems production plant in Laval (Mayenne) since 2011 without prospects for turnaround, the Group announced the closing of the site on January 8, 2016, and a provision for restructuring was accordingly recognized during the first half of 2016. (See Note 4.5 “Other operating income and expenses” and Note 5.2.3 “Provision for liabilities and charges”).

The Group has decided to put the plant up for sale. It has been reclassified among “Assets and liabilities held for sale” at its carrying amount (see note 5.1.11 “Assets and liabilities held for sale”).

## **2.6. Partial repayment of the 2012 “Schuldschein” private placement**

On June 17 and 27, 2016, the Group repaid in advance the variable portion of the “Schuldschein” private placement made with private investors in France and abroad, in the amount of €74 million. (See Note 5.2.4.2 “Borrowings: private placement notes and bonds”)

This repayment was accompanied by new financing at a lower interest rate and longer maturity, details of which are provided in the following note.

## **2.7. New private placement made**

On June 17, 2016 the Group carried out new financing in the form of a Schuldschein private placement with private investors abroad, primarily in Asia, Germany, the Netherlands, Switzerland, Luxembourg and Belgium, in the amount of €300 million.

The features of this investment are given in Note 5.2.4.2 “Borrowings: private placement notes and bonds”.

### **3. SEGMENT INFORMATION**

#### **3.1. Information by operating segment**

The Group is divided into two operating segments: Automotive and Environment.

The Group uses the notion of “economic sales” for its operational management, which corresponds to the consolidated sales of the Group and its joint ventures at their ownership percentage: HBPO, a German company and world leader in front-end modules, Yanfeng Plastic Omnium, the Chinese leader in exterior body parts, BPO, a major player in the Turkish market for exterior equipment, and Plastic Recycling, a specialist company in plastics recycling.

The columns in the tables below show the amounts for each segment. The “Unallocated items” column groups together inter-segment eliminations and amounts that are not allocated to a specific segment (e.g. holding company activities) so as to reconcile segment information to the Group’s financial statements. Financial results, taxes and the share of profit/(loss) of associates are monitored by the Group and not allocated to the segments. Inter-segment transactions are carried out on an arm’s length basis.

3.1.1. Income statement by operating segment

First-half 2016				
In thousands of euros	Automotive	Environment	Unallocated items <sup>(3)</sup>	Total
<b>Economic sales (revenue)<sup>(1)</sup></b>	<b>2,992,830</b>	<b>186,661</b>	-	<b>3,179,491</b>
<i>Including Sales from joint ventures at the Group's percentage stake</i>	519,457	-	-	519,457
<b>Sales to third parties</b>	<b>2,473,412</b>	<b>186,695</b>	<b>(73)</b>	<b>2,660,034</b>
Sales between segments	(39)	(34)	73	-
<b>Consolidated sales (revenue)</b>	<b>2,473,373</b>	<b>186,661</b>	-	<b>2,660,034</b>
<i>% of segment revenue - Total</i>	93.0%	7.0%	-	100.0%
<b>Operating margin before amortization of Intangible assets acquired in business combinations and before share of profit of associates and joint ventures</b>	<b>242,910</b>	<b>12,061</b>	-	<b>254,971</b>
<i>% of segment revenue</i>	9.8%	6.5%	-	9.6%
Amortization of intangible assets acquired in business combinations	(9,382)	-	-	(9,382)
Share of profit/(loss) of associates and joint ventures	21,853	-	-	21,853
<b>Operating margin<sup>(2)</sup></b>	<b>255,381</b>	<b>12,061</b>	-	<b>267,442</b>
<i>% of segment revenue</i>	10.3%	6.5%	-	10.1%
Other operating income	9,087	2,991	-	12,078
Other operating expenses	(32,804)	(12,501)	-	(45,305)
<i>% of segment revenue</i>	-1.0%	-5.1%	-	-1.2%
Finance costs, net				(25,754)
Other financial income and expenses, net				(5,687)
<b>Profit from continuing operations before Income tax and after share in associates and joint ventures</b>				<b>202,774</b>
Income tax				(44,327)
<b>Net income</b>				<b>158,447</b>

  

First-half 2015				
In thousands of euros	Automotive	Environment	Unallocated items <sup>(3)</sup>	Total
<b>Economic sales (revenue)<sup>(1)</sup></b>	<b>2,753,012</b>	<b>192,273</b>	-	<b>2,945,285</b>
<i>Including Sales from joint ventures at the Group's percentage stake</i>	471,023	-	-	471,023
<b>Sales to third parties</b>	<b>2,282,032</b>	<b>192,316</b>	<b>(86)</b>	<b>2,474,262</b>
Sales between segments	(43)	(43)	86	-
<b>Consolidated sales (revenue)</b>	<b>2,281,989</b>	<b>192,273</b>	-	<b>2,474,262</b>
<i>% of segment revenue - Total</i>	92.2%	7.8%	-	100.0%
<b>Operating margin before amortization of Intangible assets acquired in business combinations and before share of profit of associates and joint ventures</b>	<b>218,187</b>	<b>11,089</b>	-	<b>229,276</b>
<i>% of segment revenue</i>	9.6%	5.8%	-	9.3%
Amortization of intangible assets acquired in business combinations	(9,389)	-	-	(9,389)
Share of profit/(loss) of associates and joint ventures	17,433	-	-	17,433
<b>Operating margin<sup>(2)</sup></b>	<b>226,231</b>	<b>11,089</b>	-	<b>237,320</b>
<i>% of segment revenue</i>	9.9%	5.8%	-	9.6%
Other operating income	11,757	688	-	12,445
Other operating expenses	(34,994)	(1,726)	-	(36,720)
<i>% of segment revenue</i>	-1.0%	-0.5%	-	-1.0%
Finance costs, net				(22,878)
Other financial income and expenses, net				(3,584)
<b>Profit from continuing operations before Income tax and after share in associates and joint ventures</b>				<b>186,582</b>
Income tax				(41,949)
<b>Net income</b>				<b>144,633</b>

(1) Economic sales correspond to the sales of the Group and its joint ventures consolidated at their percentage of ownership.

(2) Operating margin after amortization of intangible assets acquired in business combinations and after share of profit of associates and joint ventures. In 2014 the Group has modified the presentation of the share of profit/(loss) of associates and joint ventures in the consolidated income statement; it is now shown at the operating margin level. From January 1, 2016 forward the value-added tax (CVAE) is shown as part of income tax and no longer as part of gross profit/operating margin. Figures in first-half 2015 have not been modified.

(3) "Unallocated items" correspond to inter-segment eliminations and amounts that are not allocated to a specific segment (for example, holding company activities). This column is included to enable segment information to be reconciled to the Group's financial statements.

**3.1.2. Balance sheet data by operating segment**

<b>June 30, 2016</b>				
<b>In thousands of euros</b>	<b>Automotive</b>	<b>Environment</b>	<b>Unallocated items</b>	<b>Total</b>
<b>Net amounts</b>				
Goodwill	167,683	119,119	-	286,802
Intangible assets	371,292	15,156	9,397	395,845
Property, plant and equipment	1,029,177	60,080	49,659	1,138,916
Investment property	-	-	93,263	93,263
Inventories	312,772	44,008	-	356,780
Trade receivables	655,053	52,672	1,740	709,465
Other	183,390	8,979	52,542	244,911
Finance receivables <sup>(1)(C)</sup>	56,008	3,326	-	59,334
Current accounts and other financial assets (D)	(327,095)	(39,049)	436,857	70,713
Available-for-sale financial assets - FMEA 2 (F)	-	-	1,427	1,427
Hedging instruments (E)	7	-	4,238	4,245
Net cash and cash equivalents <sup>(2)(A)</sup>	128,939	10,342	685,055	824,336
<b>Total segment assets</b>	<b>2,577,226</b>	<b>274,633</b>	<b>1,334,178</b>	<b>4,186,037</b>
Borrowings (B)	68,247	2,704	1,152,565	1,223,516
<b>Segment liabilities</b>	<b>68,247</b>	<b>2,704</b>	<b>1,152,565</b>	<b>1,223,516</b>
<b>Segment net debt</b> <b>= (B - A - C - D - E - F)<sup>(3)</sup></b>	<b>210,388</b>	<b>28,085</b>	<b>24,988</b>	<b>263,461</b>
<b>At December 31, 2015</b>				
Goodwill	168,225	119,271	-	287,496
Intangible assets	355,491	15,943	9,730	381,164
Property, plant and equipment	1,035,158	63,783	50,274	1,149,215
Investment property	-	-	93,263	93,263
Inventories	305,564	41,849	-	347,413
Trade receivables	522,801	46,778	8,276	577,855
Other receivables	175,748	10,955	38,986	225,689
Finance receivables <sup>(1)(C)</sup>	51,439	4,091	-	55,530
Current accounts and other financial assets (D)	(270,706)	(17,395)	343,154	55,053
Available-for-sale financial assets - FMEA 2 (F)	-	-	1,172	1,172
Hedging instruments (E)	253	-	1,305	1,558
Net cash and cash equivalents <sup>(2)(A)</sup>	115,245	6,071	525,949	647,265
<b>Total segment assets</b>	<b>2,459,218</b>	<b>291,346</b>	<b>1,072,109</b>	<b>3,822,673</b>
Borrowings (B)	101,907	3,695	922,495	1,028,097
<b>Segment liabilities</b>	<b>101,907</b>	<b>3,695</b>	<b>922,495</b>	<b>1,028,097</b>
<b>Segment net debt</b> <b>= (B - A - C - D - E - F)<sup>(3)</sup></b>	<b>205,676</b>	<b>10,928</b>	<b>50,915</b>	<b>267,519</b>

(1) At June 30, 2016, "Finance receivables" included €35,241 thousand reported in the balance sheet under "Other non-current financial assets" against €36,697 thousand at December 31, 2015, and €24,093 thousand reported under "Finance receivables – current portion" against €18,833 thousand at December 31, 2015.

(2) Net cash and cash equivalents as reported in the statement of cash flows. See also Note 5.1.9.2 "Net cash and cash equivalents at end of period".

(3) See Note 5.2.4.1 "Net debt indicator used by the Group" and Note 5.2.4.5 "Reconciliation of gross and net debt".

**3.1.3. Other information by operating segment**

<b>First-half 2016</b>				
<b>In thousands of euros</b>	<b>Automotive</b>	<b>Environment</b>	<b>Unallocated items</b>	<b>Total</b>
Acquisitions of intangible assets	67,697	597	647	68,941
Capital expenditure including acquisitions of investment property	74,584	5,363	1,530	81,477
Depreciation and amortization expense <sup>(1)</sup>	(104,845)	(7,708)	(3,081)	(115,634)

<b>First-half 2015</b>				
<b>In thousands of euros</b>	<b>Automotive</b>	<b>Environment</b>	<b>Unallocated items</b>	<b>Total</b>
Acquisitions of intangible assets	42,356	407	376	43,139
Capital expenditure including acquisitions of investment property	107,298	6,796	11,472	125,566
Depreciation and amortization expense <sup>(1)</sup>	(101,313)	(7,859)	(3,004)	(112,176)

- (1) This item corresponds to depreciation, amortization and impairments of property, plant and equipment and intangible assets, including the amortization of intangible assets (brands and client contracts) acquired in business combinations.

**3.1.4. Revenue – Information by geographic region and by country of sales**

The following table shows revenue generated by the Group's subsidiaries in the regions or market countries indicated below:

**3.1.4.1. Information by sales region**

<b>First-half 2016</b>			<b>First-half 2015</b>		
<b>In thousands of euros</b>	<b>Totals</b>	<b>%</b>	<b>In thousands of euros</b>	<b>Totals</b>	<b>%</b>
France	411,219	12,9%	France	371,588	12.6%
North America	832,302	26,2%	North America	804,407	27.3%
Europe excluding France	1,296,974	40,8%	Europe excluding France	1,157,654	39.3%
South America	75,532	2,4%	South America	83,284	2.8%
Africa	34,739	1,1%	Africa	29,434	1.0%
Asia	528,725	16,6%	Asia	498,918	16.9%
<b>Economic sales (revenue)</b>	<b>3,179,491</b>	<b>100%</b>	<b>Economic sales (revenue)</b>	<b>2,945,285</b>	<b>100%</b>
<i>Including Sales from joint ventures at the Group's percentage stake</i>	519,457		<i>Including Sales from joint ventures at the Group's percentage stake</i>	471,023	
<b>Consolidated sales (revenue)</b>	<b>2,660,034</b>		<b>Consolidated sales (revenue)</b>	<b>2,474,262</b>	

**3.1.4.2. Revenue for the first ten contributing countries**

First-half 2016			First-half 2015		
In thousands of euros	Totals	%	In thousands of euros	Totals	%
United States	547,293	17,2%	United States	558,823	19.0%
Germany	415,600	13,1%	France	371,588	12.6%
France	411,219	12,9%	Germany	353,712	12.0%
China	267,767	8,4%	China	245,646	8.3%
Mexico	253,855	8,0%	Mexico	227,640	7.7%
United Kingdom	246,843	7,8%	United Kingdom	204,724	7.0%
Spain	227,817	7,2%	Spain	204,706	7.0%
South Korea	129,516	4,1%	South Korea	126,124	4.3%
Slovakia	118,765	3,7%	Slovakia	116,385	4.0%
Poland	63,464	2,0%	Hungary	61,731	2.1%
Other	497,353	15,6%	Other	474,206	16.1%
<b>Economic sales (revenue)</b>	<b>3,179,491</b>	<b>100%</b>	<b>Economic sales (revenue)</b>	<b>2,945,285</b>	<b>100%</b>
<i>Including Sales from joint ventures at the Group's percentage stake</i>	519,457		<i>Including Sales from joint ventures at the Group's percentage stake</i>	471,023	
<b>Consolidated sales (revenue)</b>	<b>2,660,034</b>		<b>Consolidated sales (revenue)</b>	<b>2,474,262</b>	

**3.1.4.3. Information by automotive manufacturer**

First-half 2016			First-half 2015		
Automotive manufacturers	Totals		Automotive manufacturers	Totals	
	In thousands of euros	% of total Automotive revenue		In thousands of euros	% of total Automotive revenue
Volkswagen - Porsche	532,520	17,7%	Volkswagen - Porsche	472,842	17.2%
General Motors	469,291	15,7%	General Motors	430,334	15.6%
PSA Peugeot Citroën	360,804	12,1%	PSA Peugeot Citroën	336,617	12.2%
Renault/Nissan	319,760	10,7%	Renault/Nissan	286,420	10.4%
BMW	255,443	8,5%	BMW	242,496	8.8%
<b>Total - main manufacturers</b>	<b>1,937,818</b>	<b>64,7%</b>	<b>Total - main manufacturers</b>	<b>1,768,709</b>	<b>64.2%</b>
Other automotive manufacturers	1,055,012	35,3%	Other automotive manufacturers	984,303	35.8%
<b>Total Automotive Segment - Economic sales (revenue)</b>	<b>2,992,830</b>	<b>100,0%</b>	<b>Total Automotive Segment - Economic sales (revenue)</b>	<b>2,753,012</b>	<b>100%</b>
<i>Including Sales from joint ventures at the Group's percentage stake</i> <i>Sub-total Automotive Segment</i>	519,457		<i>Including Sales from joint ventures at the Group's percentage stake</i> <i>Sub-total Automotive Segment</i>	471,023	
<b>Total Automotive Revenue - Consolidated sales</b>	<b>2,473,373</b>		<b>Total Automotive Revenue - Consolidated sales</b>	<b>2,281,989</b>	

#### 4. NOTES TO THE INCOME STATEMENT

##### 4.1. Analysis of research and development costs

The percentage of research and development costs is expressed in relation to revenue.

In thousands of euros	First-half 2016	%	First-half 2015	%
Research and development costs	(156,604)	-5,9%	(140,612)	-5,7%
Of which capitalized development costs and research and development costs billed to customers	90,967	3,4%	88,655	3,6%
<b>Net research and development costs</b>	<b>(65,637)</b>	<b>-2,5%</b>	<b>(51,957)</b>	<b>-2,1%</b>

##### 4.2. Cost of sales, development, selling and administrative costs

In thousands of euros	First-half 2016	First-half 2015
<b>Cost of sales includes:</b>		
Raw materials (purchases and changes in inventory) <sup>(1)</sup>	(1,660,291)	(1,526,515)
Direct production outsourcing	(5,550)	(6,655)
Utilities and fluids	(39,880)	(41,393)
Employee benefits expense	(267,724)	(253,073)
Other production costs	(160,732)	(156,761)
Proceeds from the sale of waste containers leased to customers under operating leases <sup>(2)</sup>	1,068	1,439
Carrying amount of waste containers leased to customers under operating leases <sup>(2)</sup>	(1,254)	(1,037)
Depreciation	(63,960)	(61,001)
Provisions for liabilities and charges	1,492	(6,277)
<b>Total</b>	<b>(2,196,831)</b>	<b>(2,051,273)</b>
<b>Research and development costs include:</b>		
Employee benefits expense	(76,390)	(67,637)
Amortization of capitalized development costs	(37,022)	(27,256)
Other	47,776	42,936
<b>Total</b>	<b>(65,637)</b>	<b>(51,957)</b>
<b>Selling costs include:</b>		
Employee benefits expense	(18,285)	(20,073)
Depreciation, amortization and provisions	(75)	(64)
Other	(8,475)	(9,972)
<b>Total</b>	<b>(26,835)</b>	<b>(30,109)</b>
<b>Administrative costs include:</b>		
Employee benefits expense	(64,824)	(60,814)
Other administrative expenses	(45,778)	(46,978)
Depreciation	(5,141)	(4,928)
Provisions for liabilities and charges	(17)	1,074
<b>Total</b>	<b>(115,760)</b>	<b>(111,646)</b>

(1) Of which charges, reversals and provisions for impairment on inventories amounting to:

- - €1,439 thousand, first-half 2016;

- - €520 thousand, first-half 2015.

(2) See “Gains/(losses) on disposals of non-current assets” in Note 4.5 “Other operating income and expenses”.

**4.3. Amortization of intangible assets acquired in business combinations**

This item refers to recurring impacts from the recognition of the acquisition cost of 50% of Inergy Automotive Systems (acquired in 2010) and Ford's fuel tank business in the United States (acquired in 2011).

In thousands of euros	First-half 2016	First-half 2015
Brands	(175)	(175)
Contractual customer relationships	(9,207)	(9,214)
<b>Total amortization of intangible assets acquired in business combinations</b>	<b>(9,382)</b>	<b>(9,389)</b>

**4.4. Share of profit/(loss) of associates and joint ventures**

The associates Chengdu Faway YFPO, Dongfeng Plastic Omnium AE and Hicom HBPO are included in the YFPO and HBPO joint ventures respectively.

Share of profit/(loss) of associates and joint ventures looks as follows:

In thousands of euros	% interest	First-half 2016	First-half 2015
JV HBPO GmbH and its subsidiaries and sub-subsidiaries	33.33%	6,867	5,944
JV Yanfeng Plastic Omnium and its subsidiaries	49.95%	10,152	5,933
B.P.O. AS	49.98%	4,871	5,604
Plastic Recycling SAS	50.00%	(37)	(48)
<b>Total share of profit/(loss) of associates and joint ventures</b>		<b>21,853</b>	<b>17,433</b>

#### 4.5. Other operating income and expenses

In thousands of euros	First-half 2016	First-half 2015
Pre-start-up costs at new plants <sup>(1)</sup>	(7,509)	(8,872)
Employee downsizing plans <sup>(2)</sup>	(10,665)	(6,051)
Impairment of non-current assets <sup>(3)</sup>	7	(9,349)
Provisions for charges <sup>(4)</sup>	1,900	(881)
Litigation <sup>(5)</sup>	(6,954)	900
Foreign exchange gains and losses on operating activities <sup>(6)</sup>	(7,118)	2,128
Impact of acquisitions: related fees and expenses <sup>(7)</sup>	(2,888)	(530)
Other <sup>(8)</sup>	1,737	(498)
Gains/losses on disposals of non-current assets <sup>(a)</sup>	(1,737)	(1,122)
<b>Total operating income and expenses</b>	<b>(33,227)</b>	<b>(24,275)</b>
- of which total other operating income	<b>12,078</b>	<b>12,445</b>
- of which total other operating expense	<b>(45,305)</b>	<b>(36,720)</b>

#### First-half 2016 :

(1): Pre-start-up costs at new plants :

All costs incurred in the first half of 2016 relate to the plants of the Auto Exterior division of the Automotive Segment, primarily the Warrington plant in the United Kingdom, which has started the production of body parts for Jaguar Land Rover (see note 2.4 “Investments in production capacity”).

(2): Employee downsizing plans :

Workforce adjustment costs relate chiefly to restructuring and the job protection plan of the fuel systems production site in Laval (Mayenne) (see notes 2.5 “Closure of the Laval fuel systems production site” and 5.2.3 “Provisions”).

Other costs relate to individually immaterial amounts.

(3): Impairment of non-current assets :

Not material in first-half 2016.

(4): Provisions for charges :

Provisions for charges chiefly cover the risk of customer returns under warranty for the Automotive Division.

(5): Litigation :

The amounts in this item correspond to legal fees and expenses relating to several disputes involving the Environment Division.

(6): Foreign exchange gains and losses on operating activities :

Virtually all foreign exchange losses in the first half were attributable to the Automotive Segment, and cover various currencies in South America, Asia (renminbi) and Europe (pound sterling). For all currencies, they relate to the “Auto Exteriors” and “Fuel Systems” divisions in the proportion of more or less 50%.

(7): Impacts of acquisitions: related fees and expenses :

The Group continues its acquisitions (see notes 2.2 “Acquisition of the “Exterior Systems” business of the Faurecia Group” and 2.3 “Acquisition of the minority stake in the German company RMS Rotherm Maschinenbau GmbH,” etc.). The costs recognized reflect the expenses incurred.

(8): Other :

This item essentially comprises an adjustment of the prior year third-party accounts of the Mexican subsidiary of Auto Exterior division of the Automotive Segment.

**First-half 2015:**

(1): Pre-start-up costs at new plants :

The Group had incurred costs for construction of new plants in the United Kingdom (Warrington) and North America (Fairfax and Chattanooga) in the Automotive Segment.

(2): Employee downsizing plans :

These involved ongoing employee downsizing plans across the Group.

(3): Impairment of non-current assets :

This related to Automotive Division assets.

(6): Foreign exchange gains and losses on operating activities :

In the first half of 2015, operating currency gains related to:

- the Auto Exteriors division of the Automotive segment for 45.2%;
- and the Fuel Systems division of the Automotive segment for 44.7%.

(8): Other :

The amount reported under this item in first-half 2015 corresponded to various individually non-material transactions.

**(a) Gains/losses on disposals of non-current assets:**

The breakdown of the disposals of non-current assets shown below explains the impact on non-current operating income of transactions in non-current assets and reconciles them with changes in the statement of cash flows:

- *proceeds from disposals of property, plant and equipment and intangible assets in the statement of cash flows include proceeds from disposals of assets reported under “Other operating income and expenses” and proceeds from waste containers leased to customers under operating leases reported under “Cost of sales” (see Note 4.2);*
- *and net (gains)/losses on disposals of non-current assets in the statement of cash flows include gains and losses from disposals of property, plant and equipment and intangible assets reported under “Other operating income and expenses” and gains and losses from waste containers leased to customers under operating leases (see Note 4.2).*

The details are as follows:

In thousands of euros	First-half 2016		First-half 2015	
	Disposal proceeds	Gain/loss	Disposal proceeds	Gain/loss
Sales of waste containers included in operating margin	1,068	(186)	1,439	402
<b>Total amount of waste containers included in operating margin (see Note 4.2)</b>	<b>1,068</b>	<b>(186)</b>	<b>1,439</b>	<b>402</b>
Disposals of intangible assets <sup>(1)</sup>	-	(389)	5,519	-
Disposals of property, plant and equipment <sup>(2)</sup>	2,947	(1,348)	1,199	(1,122)
<b>Total from disposals of non-current assets excluding non-current financial assets (see Table above)</b>	<b>2,947</b>	<b>(1,737)</b>	<b>6,718</b>	<b>(1,122)</b>
<b>Total</b>	<b>4,015</b>	<b>(1,923)</b>	<b>8,157</b>	<b>(720)</b>

**First-half 2016**

- (2) Losses on disposals of fixed assets correspond mainly to the loss on disposal of the Neustadt site of the Environment division in Germany. It was classified as “Assets and liabilities held for sale” as of December 31, 2015 (see note 5.1.11).

**First-half 2015**

- (1) This related to the sale of Automotive Division development assets at their carrying amount.

#### 4.6. Net financial income

In thousands of euros	First-half 2016	First-half 2015
Finance costs	(20,798)	(17,282)
Interest cost – post-employment benefit obligations	(1,365)	(1,319)
Financing fees and commissions	(3,591)	(4,277)
<b>Finance costs, net</b>	<b>(25,754)</b>	<b>(22,878)</b>
Exchange gains or losses on financing activities	(7,136)	(8,910)
Gains or losses on interest rate and currency hedges <sup>(1)</sup>	1,341	4,192
Other	108	1,134
<b>Other financial income and expenses, net</b>	<b>(5,687)</b>	<b>(3,584)</b>
<b>Total</b>	<b>(31,441)</b>	<b>(26,462)</b>

<sup>(1)</sup> See Notes 5.2.5.1.3 on the “Impact of hedging on the Income statement” and 5.2.5.2.2 on the “Impact of unsettled foreign exchange currency hedges on profit or loss”.

#### 4.7. Income tax

##### 4.7.1 Income tax recorded in the income statement

Income tax expense includes taxes payable, deferred taxes and since January 1, 2016 the CVAE value-added tax previously recorded recognized as part of gross profit/operating margin. For fiscal year 2015, the CVAE was €7.4 million.

Income tax expense breaks down as follows:

In thousands of euros	First-half 2016	First-half 2015, published
<b>Current tax including CVAE</b>	<b>(52,197)</b>	<b>(51,073)</b>
Current income tax (expense)/benefit including CVAE	(45,565)	(46,746)
Tax (expense)/benefit on non-recurring items	(6,632)	(4,327)
<b>Deferred taxes</b>	<b>7,870</b>	<b>9,124</b>
Deferred tax (expense)/benefits on timing differences arising or reversing during the period	8,100	8,867
Effect of changes in tax rates or the introduction of new taxes	(230)	257
<b>Income tax recorded in the consolidated income statement, including CVAE<sup>(1)</sup></b>	<b>(44,327)</b>	<b>(41,949)</b>

<sup>(1)</sup> The CVAE is included in “Income tax recorded in the income statement” from 2016 only.

Presentation of the CVAE in first-half 2015 tax expense would give the following figures:

*Presentation of first-half 2015 income tax expense including the CVAE (new presentation as of 2016):*

In thousands of euros	First-half 2015, published	Reclassification of the CVAE	First-half 2015 New presentation
<b>Current taxes including the CVAE</b>	<b>(51,073)</b>	<b>(4,204)</b>	<b>(55,277)</b>
Current income tax (expense)/benefit including the CVAE	(46,746)	(4,204)	(50,950)
Tax (expense)/benefit on non-recurring items	(4,327)	-	(4,327)
<b>Deferred taxes</b>	<b>9,124</b>	-	<b>9,124</b>
Deferred tax (expense)/benefits on timing differences arising or reversing during the period	8,867	-	8,867
Effect of changes in tax rates or the introduction of new taxes	257	-	257
<b>Income tax expense in the consolidated income statement including the CVAE</b>	<b>(41,949)</b>	<b>(4,204)</b>	<b>(46,153)</b>

4.7.2. Analysis of income tax expense – Tax proof

The analysis of the income tax expense reveals the following factors:

In thousands of euros	First-half 2016		First-half 2015 New Presentation	
	Totals	% <sup>(1)</sup>	Totals	% <sup>(1)</sup>
<b>Profit before tax (excluding tax assessed on net interim profit) (A)</b>	<b>176,536</b>		<b>169,150</b>	
Tax calculated on net interim profit (CVAE, etc.) (B)	4,385		4,204	
<b>Consolidated profit before tax and share of profit/(loss) of associates and joint ventures (C) = (A) + (B)</b>	<b>180,921</b>		<b>173,354</b>	
French standard tax rate (D)		<b>34.43%</b>		<b>38.0%</b>
<b>Theoretical tax expense (E) = (C) x (-D)</b>	<b>(62,291)</b>		<b>(65,875)</b>	
<b>Difference between theoretical tax expense and current and deferred tax expense excluding tax assessed on net interim profit (F)</b>	<b>22,349</b>	<b>-12.3%</b>	<b>23,926</b>	<b>-13.8%</b>
Tax credits	13,378	-7.4%	16,856	-9.7%
Change in unrecognized deferred taxes	10,727	-5.9%	(6,754)	3.9%
Impact of differences in foreign tax rates	9,148	-5.0%	14,724	-8.5%
Other impacts	(10,904)	6.0%	(900)	0.5%
<b>Current and deferred tax expense excluding tax assessed on net interim profit (G) = (E) - (F)</b>	<b>(39,942)</b>		<b>(41,949)</b>	
Tax calculated on net interim profit (CVAE, etc.) (H)	(4,385)	<b>2.4%</b>	(4,204)	<b>2.4%</b>
<b>Total current and deferred tax expense (I) = (G) + (H)</b>	<b>(44,327)</b>		<b>(46,153)</b>	
<b>Effective tax rate (I) / (C)</b>		<b>24.5%</b>		<b>26.6%</b>

(1)Percentage expressed in relation to the consolidated profit before tax and share of profit/(loss) of associates and joint ventures (C)

The Group's effective tax rate for first-half 2016 is 24.5% (26.6% for first-half 2015).

In first-half 2016, actual income tax expense is €44.3 million compared with theoretical tax expense of €62.3 million at the French standard rate of 34.43%.

For the same period in 2015, the tax recognized was an expense of €46.2 million for a theoretical tax of €65.9 million based on a 38% tax rate.

The difference between actual income tax expense and theoretical income tax expense is explained by:

- €13.4 million from specific tax reductions or credits, mainly in North America, Asia and France (€16.9 million in first-half 2015);
- €6.2 million from permanent differences between accounting profits and taxable profits, such as taxable dividends (-€1.9 million in the first half of 2015);
- €10.7 million from losses or other assets generated during the year but not recognized, net of those previously not capitalized but used or recognized in the year (-€6.7 million in first-half 2015);
- and €9.1 million from the impact of more favorable tax rates, principally in Asia, Europe (other than France and Belgium) and Mexico (€14.7 million in first-half 2015).

#### 4.8. Net profit attributable to non-controlling interests

The net profit attributable to non-controlling interests corresponds to that share of minority interests in the profit/loss of fully consolidated entities controlled by the Group. It breaks down as follows:

In thousands of euros	First-half 2016	First-half 2015
Inergy Automotive Systems Manufacturing (Beijing) Co. Ltd	2,158	1,854
Inergy Automotive Systems Manufacturing India Pvt Ltd	353	337
Plastic Omnium Systems GmbH	-	64
DSK Plastic Omnium Inergy	543	632
DSK Plastic Omnium BV	78	(86)
<b>Total attributable to non-controlling interests</b>	<b>3,132</b>	<b>2,801</b>

#### 4.9. Basic earnings per share and diluted earnings per share

Net profit attributable to owners of the parent	First-half 2016	First-half 2015
Basic earnings per share (in euros)	1.05	0.96
Diluted earnings per share (in euros)	1.04	0.94
<b>Weighted average number of ordinary shares outstanding</b>	152,960,236	153,576,720
- Treasury stock	(5,461,982)	(5,575,772)
<b>Weighted average number of ordinary shares, undiluted</b>	<b>147,498,254</b>	<b>148,000,948</b>
- Impact of dilutive instruments (stock options)	1,527,876	2,607,264
<b>Weighted average number of ordinary shares, diluted</b>	<b>149,026,129</b>	<b>150,608,212</b>
<b>Weighted average price of the Plastic Omnium share during the period</b>		
- Weighted average share price	29.02	25.32

**5. NOTES TO THE BALANCE SHEET**

**5.1. Assets**

**5.1.1. Goodwill**

No indications of impairment were identified by the Group during the period which was characterized by a high level of activity and profitability and a solid outlook. As a result, no impairment tests were carried out at June 30, 2016. (See Note 1.3 “Use of estimates and assumptions”).

<b>GOODWILL</b>	<b>Cost</b>	<b>Impairment</b>	<b>Carrying amount</b>
<b>In thousands of euros</b>			
<b>Value at January 1, 2015</b>	<b>284,570</b>	-	<b>284,570</b>
Translation adjustment	2,926	-	2,926
<b>Value at December 31, 2015</b>	<b>287,496</b>	-	<b>287,496</b>
Translation adjustment	(694)	-	(694)
<b>Value at June 30, 2016</b>	<b>286,802</b>	-	<b>286,802</b>

Hereafter, goodwill by reportable segment:

<b>GOODWILL BY REPORTABLE SEGMENT</b>	<b>Cost</b>	<b>Impairment</b>	<b>Carrying amount</b>
<b>In thousands of euros</b>			
Automotive	167,683	-	167,683
Environment	119,119	-	119,119
<b>Value at June 30, 2016</b>	<b>286,802</b>	-	<b>286,802</b>
Automotive	168,225	-	168,225
Environment	119,271	-	119,271
<b>Value at December 31, 2015</b>	<b>287,496</b>	-	<b>287,496</b>

### 5.1.2. Investment property

The item “Investment property” is unchanged since December 31, 2015:

In thousands of euros	Total	Land	Buildings
Fair value at December 31, 2015	93,263	12,700	80,563
<b>Fair value at June 30, 2016</b>	<b>93,263</b>	<b>12,700</b>	<b>80,563</b>
In thousands of euros	Total	Land	Buildings
Fair value at December 31, 2014	88,825	15,200	73,625
Buildings under construction in Lyon Gerland	6,938	-	6,938
Nanterre building - reclassification as operating building	(2,500)	(2,500)	-
<b>Fair value at December 31, 2015</b>	<b>93,263</b>	<b>12,700</b>	<b>80,563</b>

It concerns the Lyon Gerland office complex and breaks down as follows:

In thousands of euros	Land	Buildings	Total
Lyon Gerland complex	12,700	80,563	<b>93,263</b>
<b>Fair value at December 31, 2015 and June 30, 2016</b>	<b>12,700</b>	<b>80,563</b>	<b>93,263</b>

### 5.1.3. Investments in associates and joint ventures

Investments in associates and joint ventures correspond to investments by the Group in the following companies:

In thousands of euros	% interest	June 30, 2016	December 31, 2015
JV HBPO GmbH and its subsidiaries and sub-subsidiaries	33.33%	29,557	33,100
JV Yanfeng Plastic Omnium and its subsidiaries	49.95%	111,076	105,121
B.P.O. AS	49.98%	14,529	20,983
JV Valeo Plastic Omnium SNC	50.00%	(34)	(34)
Plastic Recycling SAS	50.00%	(134)	(97)
<b>Total investments in associates and joint ventures</b>		<b>154,994</b>	<b>159,073</b>

**51.4. Available-for-sale financial assets**

In thousands of euros	June 30, 2016	December 31, 2015
Shell companies and dormant companies	386	356
Contributions to the “FMEA 2” fund <sup>(1)</sup>	1,427	1,172
<b>Available-for-sale financial assets</b>	<b>1,813</b>	<b>1,528</b>

(1) Contributions to the “FMEA 2” fund are listed with long-term financial receivables in Note 5.2.4.5 “Reconciliation of gross and net debt”.

**5.1.5. Other non-current financial assets**

In thousands of euros	June 30, 2016	December 31, 2015
Loans	1	220
Negotiable debt securities <sup>(1)</sup>	-	5,000
Deposits and bonds	38,573	22,775
Other	48	48
<b>Other non-current assets and financial receivables (see Note 5.2.4.5)</b>	<b>38,622</b>	<b>28,043</b>
Finance receivables related to Environment finance leases	2,152	2,620
Finance receivables related to Automotive contracts	33,089	34,077
<b>Non-current financial receivables (see Note 5.2.4.5)</b>	<b>35,241</b>	<b>36,697</b>
<b>Total</b>	<b>73,863</b>	<b>64,740</b>

(1) See Note 5.2.4.3 “Loans, Negotiable debt securities and Other financial assets”.

Deposits and bonds correspond mainly to guarantee deposits on leased offices and sold receivables sales programs.

“Finance receivables” mainly concern work in progress on automotive projects for which the Group has received a firm commitment on the selling price of developments and/or tooling. These receivables are discounted.

5.1.6. Inventories and goods in process

In thousands of euros	June 30, 2016	December 31, 2015
<b>Raw materials and supplies</b>		
At cost	115,106	115,743
Net realizable value	105,775	107,481
<b>Molds, tooling and engineering</b>		
At cost	128,748	128,648
Net realizable value	128,686	128,583
<b>Other work in progress</b>		
At cost	135	63
Net realizable value	135	63
<b>Maintenance inventories</b>		
At cost	44,380	41,381
Net realizable value	36,154	33,617
<b>Goods</b>		
At cost	9,687	8,010
Net realizable value	8,816	7,072
<b>Semi-finished products</b>		
At cost	34,456	33,019
Net realizable value	32,198	31,008
<b>Finished products</b>		
At cost	48,142	42,758
Net realizable value	45,016	39,589
<b>Total, net</b>	<b>356,780</b>	<b>347,413</b>

5.1.7. Current financial receivables

In thousands of euros	June 30, 2016	December 31, 2015
<b>Current financial receivables (see Note 5.2.4.5)</b>	<b>24,093</b>	<b>18,833</b>
Of which Environment Division finance lease receivables	1,174	1,471
Of which Automotive Division finance receivables	22,919	17,362
<b>Other current financial assets and financial receivables (see Note 5.2.4.5)</b>	<b>32,091</b>	<b>27,010</b>
Of which "Current accounts"	1,854	1,852
Of which "Negotiable debt securities" <sup>(1)</sup>	24,021	19,030
Of which "Other"	6,216	6,128
<b>Total current financial receivables</b>	<b>56,184</b>	<b>45,843</b>

(1) See Note 5.2.4.3 "Loans, Negotiable debt securities and Other financial assets".

**5.1.8. Trade and other receivables**

5.1.8.1. Sales of receivables

Compagnie Plastic Omnium and some of its European and North American subsidiaries have set up several receivables sales programs with French banks. These programs are due within more than two years on average.

Nearly all of these non-recourse programs transfer substantially all the risks and rewards of ownership to the buyer, with only the non-material dilution risk retained by the Group, and the sold receivables are therefore derecognized.

Receivables sold under these programs, and which are therefore no longer included on the balance sheet, totaled €302 million at June 30, 2016, against €260 million at December 31, 2015.

5.1.8.2. Trade receivables - cost, impairment and carrying amounts

In thousands of euros	June 30, 2016			December 31, 2015		
	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Trade receivables	714,006	(4,541)	709,465	582,264	(4,409)	577,855

The Group has not identified material customer risk that has not been given an accounting provision in the two periods.

5.1.8.3. Other

In thousands of euros	June 30, 2016	December 31, 2015
Sundry receivables	64,916	54,293
Prepayments to suppliers of tooling and prepaid development costs	44,991	36,536
Prepaid and recoverable income taxes	67,742	61,591
Other prepaid and recoverable taxes	62,945	68,046
Employee advances	2,491	951
Prepayments to suppliers of non-current assets	1,826	4,272
<b>Other</b>	<b>244,911</b>	<b>225,689</b>

5.1.8.4. Trade and other receivables by currency

In thousands of currency units	Receivables at June 30, 2016			Receivables at December 31, 2015		
	Local currency	Euro	%	Local currency	Euro	%
EUR Euro	489,807	489,807	51%	395,988	395,988	49%
USD US dollar	230,758	207,852	22%	200,324	184,003	23%
GBP Pound sterling	53,790	65,082	7%	41,282	56,246	7%
CNY Chinese yuan	509,224	69,043	7%	568,412	80,502	10%
Other Other currencies		122,592	13%		86,805	11%
<b>Total</b>		<b>954,376</b>	<b>100%</b>		<b>803,544</b>	<b>100%</b>
<b>Of which:</b>						
Trade receivables		709,465	74%		577,855	72%
Other receivables		244,911	26%		225,689	28%

Sensitivity tests on exchange rate movements for “Trade and other receivables” give the following results:

In thousands of currency units	Sensitivity tests on Receivables June 30, 2016						Sensitivity tests on Receivables December 31, 2015					
	Base		Increase – all currencies		Decrease – all currencies		Base		Increase – all currencies		Decrease – all currencies	
			+10%	+20%	-10%	-20%			+10%	+20%	-10%	-20%
	Local currency	Conversion rate	%	%	%	%	Local currency	Conversion rate	%	%	%	%
EUR Euro	489,807	1.00000	49%	47%	54%	57%	395,988	1.00000	47%	45%	52%	55%
USD US dollar	230,758	0.90074	23%	24%	21%	19%	200,324	0.91853	24%	25%	22%	20%
CNY Chinese yuan	509,224	0.13558	8%	8%	7%	6%	568,412	0.14163	10%	11%	9%	9%
GBP Pound sterling	53,790	1.20992	7%	7%	6%	6%	41,282	1.36249	7%	8%	7%	6%
Other Other currencies			13%	14%	12%	12%			12%	11%	10%	10%
<b>Total in euros</b>		<b>954,376</b>	<b>1,000,833</b>	<b>1,047,290</b>	<b>907,919</b>	<b>861,462</b>		<b>803,544</b>	<b>844,300</b>	<b>885,056</b>	<b>762,788</b>	<b>722,033</b>
<b>Of which:</b>												
Trade receivables		709,465	744,001	778,536	674,931	640,395		577,855	607,164	636,473	548,547	519,238
Other receivables		244,911	256,832	268,754	232,988	221,067		225,689	237,136	248,583	214,241	202,795

Currency sensitivity tests on “Trade and other receivables” and “Trade payables and other operating liabilities” (see Note 5.2.6.3) give practically the same net exposure for the Group by currency as the exposure calculated based on actual data at June 30, 2016.

**5.1.9. Cash and cash equivalents**

5.1.9.1. Gross cash and cash equivalents

In thousands of euros	June 30, 2016	December 31, 2015	June 30, 2015
Cash at bank and in hand	295,526	212,968	176,770
Short-term deposits	533,351	450,188	376,422
<b>Total cash and cash equivalents on the balance sheet</b>	<b>828,877</b>	<b>663,156</b>	<b>553,192</b>

Group cash and cash equivalents break down as follows:

In thousands of euros	June 30, 2016	December 31, 2015	June 30, 2015
Cash and cash equivalents of the Group's captive reinsurance company	51,045	51,189	48,997
Cash and cash equivalents in countries with exchange controls on remittances and transfers <sup>(4)</sup>	79,222	70,100	82,535
Cash equivalents	698,610	541,867	421,660
<b>Total cash and cash equivalents on the balance sheet</b>	<b>828,877</b>	<b>663,156</b>	<b>553,192</b>

<sup>(4)</sup> The "countries with exchange controls on remittances and transfers" include Brazil, China, India, Chile and Argentina.

The above amounts are presented in the balance sheet as current assets as they are not subject to any general restrictions.

5.1.9.2. Net cash and cash equivalents at end of period

In thousands of euros	June 30, 2016	December 31, 2015	June 30, 2015
Cash and cash equivalents	828,877	663,156	553,192
Short-term bank loans and overdrafts	(4,541)	(15,891)	(7,418)
<b>Net cash and cash equivalents at end of period in the statement of cash flows</b>	<b>824,336</b>	<b>647,265</b>	<b>545,774</b>

**5.1.10. Consolidated funds from operations and proportionate share of funds from operations of associates and joint ventures, after taxes and interest paid, net of dividends paid**

Consolidated funds from operations and proportionate share of funds from operations of associates and joint ventures, after taxes and interest paid, net of dividends paid, break down as follows:

<b>Consolidated financial statements</b>	<b>First-half 2016</b>	<b>2015 Fiscal Year</b>	<b>First-half 2015</b>
Funds from operations	347,359	606,117	321,330
Tax paid	(50,355)	(65,262)	(37,127)
Interest paid	(26,915)	(49,840)	(24,271)
<b>Funds from operations after payment of taxes and interest</b>	<b>270,089</b>	<b>491,015</b>	<b>259,932</b>

**Associates and joint ventures**

<b>Share of funds from operations</b>	39,155	58,408	31,439
Share of tax paid	(4,095)	(7,958)	(2,503)
Share of interest received/paid	762	1,255	541
Elimination of dividends paid	(21,201)	(24,887)	(24,887)
<b>Share of funds from operations after payment of taxes and interest received, net of dividends paid</b>	<b>14,621</b>	<b>26,818</b>	<b>4,590</b>

<b>Total</b>	<b>284,710</b>	<b>517,833</b>	<b>264,522</b>
--------------	----------------	----------------	----------------

**5.1.11. Assets and liabilities held for sale**

Following the opening of its new Research and Development Center for fuel systems, α-Alphatech, on September 1, 2014, the Group put its former technical center in the Oise region in France up for sale, as well as the one in Laval in the Mayenne department in France (See Note 2.1 “Investments in the Research and Development Center” in the Consolidated financial statements at December 31, 2014).

At December 31, 2015 the Group put the assets at its Environment Division plant in Neustadt, Germany up for sale following the shutdown (since May 2015) and the transfer of operations to the Herford plant in Germany. The site was sold during the first half of 2016. The effects of the transaction are given under the heading “Gains/(losses) on disposals of non-current assets” in Note 4.5 “Other operating income and expenses.” During the first half, the Group decided to put the site in Laval (Mayenne) up for sale (see Note 2.5 “Closure of the Laval fuel systems production site”). The plant has been has been reclassified in “Assets and liabilities held for sale” in its carrying amount

The breakdown by site of assets in “Assets and liabilities held for sale” at June 30, 2016 is given below.

	June 30, 2016	December 31, 2015
In thousands of euros	Totals	Totals
<b>Compiègne technical center in in the Oise department</b>	<b>846</b>	<b>846</b>
<i>of which Land</i>	167	167
<i>of which Buildings, equipment, building improvements, fixtures and fittings</i>	679	679
<b>Laval technical center in the Mayenne department</b>	<b>3,550</b>	<b>1,893</b>
<i>of which Land</i>	178	178
<i>of which Plant</i>	1,657	-
<i>of which Buildings, equipment, building improvements, fixtures and fittings</i>	1,715	1,715
<b>Environment division’s Neustadt site in Germany</b>	-	<b>3,041</b>
<i>of which Land</i>	-	2,780
<i>of which Buildings, equipment, building improvements, fixtures and fittings</i>	-	261
<b>Net assets held for sale</b>	<b>4,396</b>	<b>5,780</b>

## 5.2. Equity and liabilities

### 5.2.1. Equity attributable to owners of the parent

#### 5.2.1.1. Share capital of Compagnie Plastic Omnium

In euros	June 30, 2016	December 31, 2015
Share capital at January 1	9,214,603	9,214,603
Capital reduction during the year	(66,000)	-
<b>Share capital at end of period (ordinary shares with a par value of €0.06)</b>	<b>9,148,603</b>	<b>9,214,603</b>
Treasury stock	256,821	331,350
<b>Total share capital net of treasury stock</b>	<b>8,891,782</b>	<b>8,883,254</b>

Shares registered in the name of the same holder for at least two years carry double voting rights.

#### Structure of capital at June 30, 2016

On February 24, 2016 the Board of Directors of Compagnie Plastic Omnium voted to cancel 1,100,000 treasury shares, or 0.72% of the share capital. This operation took effect March 21, 2016.

The share capital of Compagnie Plastic Omnium went from 153,576,720 shares to 152,476,720 shares with par value of €0.06, representing a total value of €9,148,603.20.

At June 30, 2016, Compagnie Plastic Omnium held 4,280,356 treasury shares, i.e. 2.81% of the share capital, against 5,522,492 or 3.60% of share capital at December 31, 2015.

#### Structure of capital at December 31, 2015

At December 31, 2015, Compagnie Plastic Omnium held 5,522,492 treasury shares, i.e. 3.60% of the share capital, against 5,790,280 or 3.77% of share capital at December 31, 2014.

## 5.2.1.2. Details of “Other reserves and retained earnings” in the consolidated statement of changes in equity

In thousands of euros

	Actuarial gains/(losses) recognized in equity	Cash flow hedges – interest rate instruments	Cash flow hedges – currency instruments	Fair value adjustments to property, plant and equipment	Retained earnings and other reserves	Attributable to owners of the parent
<b>December 31, 2014</b>	<b>(38,944)</b>	<b>(4,144)</b>	<b>(49)</b>	<b>18,156</b>	<b>836,052</b>	<b>811,071</b>
Change from first-half 2015	(56)	2,085	-	-	170,943	<b>172,972</b>
<b>At June 30, 2015</b>	<b>(39,000)</b>	<b>(2,059)</b>	<b>(49)</b>	<b>18,156</b>	<b>1,006,995</b>	<b>984,043</b>
Change from second-half 2015	(2,399)	399	-	-	2,577	<b>577</b>
<b>At December 31, 2015</b>	<b>(41,399)</b>	<b>(1,660)</b>	<b>(49)</b>	<b>18,156</b>	<b>1,009,572</b>	<b>984,620</b>
Change from first-half 2016	(6,909)	272	(194)	-	189,902	<b>183,071</b>
<b>At June 30, 2016</b>	<b>(48,308)</b>	<b>(1,388)</b>	<b>(243)</b>	<b>18,156</b>	<b>1,199,474</b>	<b>1,167,691</b>

## 5.2.1.3. Details of “Changes in scope of consolidation and reserves” in the consolidated statement of changes in equity

In thousands of euros

	Shareholders' equity		Total equity
	Attributable to owners of the parent	Attributable to non-controlling interests	
Impact IFRIC 21 <sup>(1)</sup>	(417)	-	(417)
<b>Change in scope of consolidation and reserves first-half 2015</b>	<b>(417)</b>	<b>-</b>	<b>(417)</b>
Impact IFRIC 21 <sup>(1)</sup>	(18)	-	(18)
Partner's subscription to the capital increase	-	797	797
<b>Change in scope of consolidation and reserves second-half 2015</b>	<b>(18)</b>	<b>797</b>	<b>779</b>
Buyout of non-controlling interests in Plastic Omnium Systems Gmbh	(1,812)	(1,488)	(3,300)
<b>Change in scope of consolidation and reserves first-half 2016</b>	<b>(1,812)</b>	<b>(1,488)</b>	<b>(3,300)</b>

(1) See Note 1.1. “Basis of preparation” on IFRIC 21.

5.2.2. Dividends voted and paid by Compagnie Plastic Omnium

In thousands of euros Dividend per share in euros Number of shares, in units	June 30, 2016		December 31, 2015	
	Number of shares in 2015	Dividend	Number of shares in 2014	Dividend
<b>Dividend per share (in euros)</b>		0.41 <sup>(1)</sup>		0.37 <sup>(1)</sup>
Total number of shares outstanding at the end of the previous year	152,476,720		153,576,720	
Total number of shares held in treasury on the ex-dividend date	4,886,974 <sup>(2)</sup>		5,379,571 <sup>(2)</sup>	
Total number of shares held in treasury at the year end (for information)	5,522,492 <sup>(2)</sup>		5,790,280 <sup>(2)</sup>	
Dividends on ordinary shares		62,515		56,823
Dividends on treasury stock (unpaid)		(2,004) <sup>(2)</sup>		(1,990) <sup>(2)</sup>
<b>Total net dividend</b>		<b>60,512</b>		<b>54,833</b>

(1) In the first half of 2016, Compagnie Plastic Omnium paid a dividend of €0.41 per share on profits from 2015.

In 2015, Compagnie Plastic Omnium paid a dividend of €0.37 per share on profits from 2014.

(2) **June 30, 2016:** the number of treasury shares taken into account at December 31, 2015 for the determination of the provisional total dividend was 5,522,492. On the first-half 2016 ex-dividend date, there were only 4,886,974 shares in treasury, increasing the dividends attached to those shares from €2,264 thousand to €2,004 thousand.

**December 31, 2015:** The number of treasury shares taken into account at December 31, 2014 for the determination of the provisional total dividend was 5,790,280. On the 2015 ex-dividend date, there were only 5,379,571 shares in treasury, reducing the dividends attached to those shares from €2,142 thousand to €1,990 thousand.

**5.2.3. Provisions for liabilities and charges**

In thousands of euros	December 31, 2015	Charges	Utilizations	Releases of surplus provisions	Reclassifications	Actuarial gains/(losses)	Translation adjustment	June 30, 2016
Customer warranties	17,296	1,851	(1,455)	(2,716)	-	-	(153)	14,823
Reorganization plans <sup>(1)</sup>	3,017	10,200	(1,673)	(10)	-	-	(30)	11,504
Taxes and tax risks	3,362	657	(1,092)	-	-	-	-	2,927
Contract risks <sup>(2)</sup>	36,865	4,053	(5,679)	(998)	-	-	(128)	34,113
Claims and litigation <sup>(3)</sup>	2,657	83	(182)	(247)	-	-	(39)	2,272
Other <sup>(4)</sup>	6,321	2,165	(1,072)	(96)	-	-	(6)	7,312
<b>Provisions for liabilities and charges</b>	<b>69,517</b>	<b>19,009</b>	<b>(11,153)</b>	<b>(4,067)</b>	<b>-</b>	<b>-</b>	<b>(356)</b>	<b>72,950</b>
Provisions for pensions and other post-employment benefits <sup>(5)</sup>	101,991	6,549	(4,829)	-	-	9,239	(117)	112,833
<b>TOTAL</b>	<b>171,508</b>	<b>25,558</b>	<b>(15,982)</b>	<b>(4,067)</b>	<b>-</b>	<b>9,239</b>	<b>(473)</b>	<b>185,783</b>

- (1) Virtually all of the allowance in the first half corresponds to the job protection plan following the closure of the Laval site.
- (2) As in the year ended December 31, 2015, this item covers the impacts of loss-making contracts and losses on completion in the Automotive Segment.
- (3) The charge/reversal for the period mainly concern ongoing disputes in the Automotive Segment.
- (4) The sub-section "Other" is made up of non-material individual amounts.
- (5) Actuarial gains and losses reflect the fall in rates in the eurozone and the United States (see Note 1.2 "Particular issues in preparing the interim financial statements").

In thousands of euros	December 31, 2014	Charges	Utilizations	Releases of surplus provisions	Reclassifications	Actuarial gains/(losses)	Translation adjustment	December 31, 2015
Customer warranties	7,840	10,564	(4,755)	(383)	4,057	-	(27)	17,296
Reorganization plans <sup>(1)</sup>	17,153	644	(13,879)	(828)	46	-	(120)	3,017
Taxes and tax risks	6,117	222	(2,985)	-	-	-	7	3,362
Contract risks <sup>(2)</sup>	33,241	23,208	(10,049)	(4,681)	(4,860)	-	6	36,865
Claims and litigation <sup>(3)</sup>	4,708	592	(1,044)	(1,541)	-	-	(58)	2,657
Other <sup>(4)</sup>	4,787	4,208	(2,908)	(530)	757	-	7	6,321
<b>Provisions for liabilities and charges</b>	<b>73,846</b>	<b>39,438</b>	<b>(35,619)</b>	<b>(7,963)</b>	<b>-</b>	<b>-</b>	<b>(185)</b>	<b>69,517</b>
Provisions for pensions and other post-employment benefits <sup>(5)</sup>	93,165	7,010	(3,413)	-	-	1,751	3,478	101,991
<b>Total</b>	<b>167,011</b>	<b>46,448</b>	<b>(39,032)</b>	<b>(7,963)</b>	<b>-</b>	<b>1,751</b>	<b>3,293</b>	<b>171,508</b>

- (1) See 2014 Note reference. This referred to the ongoing reorganization plans for the Compiègne-Laval and Saint-Désirat sites.
- (2) These were impacts of onerous contracts and losses on completion of development contracts and various risks contracts in the Automotive Division referred to as of 2014.
- (3) The charge/reversal for the period mainly concerned ongoing litigation in the Automotive Division.
- (4) The sub-section "Other" was made up of non-material individual amounts.
- (5) The actuarial gains/losses referred to higher rates in the Eurozone and the United States.

#### **5.2.4. Current and non-current borrowings and debt**

##### 5.2.4.1. Net debt indicator used by the Group

Net debt is an important indicator for day-to-day cash management purposes. It is used to determine the Group's debit or credit position outside of the operating cycle. Net debt is defined as:

- long-term borrowings:
  - drawdowns on lines of credit;
  - private placement notes;
  - bonds;
- less loans, negotiable debt securities and other non-current financial assets (see Note 5.2.4.3 "*Loans, Negotiable debt securities and Other financial assets*");
- plus short-term debt;
- plus overdraft facilities;
- less cash and cash equivalents.

5.2.4.2. Borrowings: private placement notes and bonds

On June 17, 2016 the Group carried out a €300 million “Schuldschein” private placement notes issue mainly with foreign private investors (Asian, German, Dutch, Swiss, Luxembourg and Belgian) and with French investors. This placement had the following features:

Private placement – “Schuldschein”	Amount	Interest rate
Issue - fixed rate (in euros)	300,000,000	1.478%
Maturity	At June 17, 2023	

On June 17 and 27, 2016, the Group made an advance refunding of the variable portion of the “Schuldschein” private placement of 2012 totaling €119 million, divided into €45 million at a fixed rate and €74 million at a variable rate.

The entirety of bonds and private placements as at June 30, 2016 is summarized in the following table.

At June 30, 2016	Private bond issue of 2012	“Schuldschein” private placement of 2012	Private bond issue of 2013	“Schuldschein” private placement of 2016
Issue - fixed rate (in euros)	250,000,000	45,000,000	500,000,000	300,000,000
Annual interest rate/coupon	3.875%	3.720%	2.875%	1.478%

5.2.4.3. Loans, negotiable debt securities and other financial assets

Other financial assets comprise mainly loans, security deposits and surety bonds and negotiable debt securities. They are measured at amortized cost. Whenever there is any objective evidence of impairment – i.e. a negative difference between the carrying amount and the recoverable amount – an impairment provision is recognized through profit or loss. These provisions may be reversed if the recoverable amount subsequently increases.

Other financial assets also include short-term investment securities that do not meet the criteria to be classified as cash equivalents. They are measured at their fair value at the closing date, with changes in fair value recognized in net financial income.

In 2015, the Group subscribed to four negotiable medium-term bank notes with a credit institution.

Negotiable medium-term note	Current <sup>(1)</sup>			Current <sup>(1)</sup>
	Subscription date	February 24, 2015	July 11, 2014 <sup>(2)</sup>	July 13, 2015
Nominal (in euros)	5,000,000	10,000,000	4,000,000	5,000,000
Maturity	February 25, 2019	July 11, 2018	July 15, 2019	February 24, 2020
	<i>Not available for 4 quarters following the subscription date</i>			<i>Not available for 8 quarters following the subscription date</i>
Quarterly coupon: Fixed rate Variable rate	Sets the first four quarters following the issue 3-month Euribor + spread as of the fifth quarter			Sets the first eight quarters following the issue 3-month Euribor + spread as of the ninth quarter

<sup>(1)</sup> See Note 5.1.7 “Current financial receivables”.

<sup>(2)</sup> On July 13, 2015, the Group subscribed, on a secondary market, to this investment for which the first issue date was July 11, 2014.

**5.2.4.4. Utilization of medium-term credit lines**

At June 30, 2016 as at December 31, 2015, the Plastic Omnium Group had access to several confirmed bank lines of credit in an amount that exceeded the Group's requirements.

At June 30, 2016 these confirmed bank lines amounted to €1,264 million with an average maturity of more than five years, compared with €1,269 million at December 31, 2015.

**5.2.4.5. Reconciliation of gross and net debt**

In thousands of euros	June 30, 2016			December 31, 2015		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Finance lease liabilities	<b>5,393</b>	1,866	3,527	<b>6,640</b>	2,503	4,137
Bonds and bank loans	<b>1,205,424</b>	53,640	1,151,783	<b>1,008,696</b>	91,685	917,011
<i>of which bond issue in 2013</i>	497,364	1,300	496,064	504,103	8,507	495,596
<i>of which EuroPP private placement notes issue</i>	253,914	5,335	248,579	248,811	504	248,307
<i>of which "Schuldschein" 2012 private placement notes issue</i>	45,000	-	45,000	119,000	-	119,000
<i>of which "Schuldschein" 2016 private placement notes issue</i>	298,649	158	298,491	-	-	-
<i>of which bank lines of credit</i>	110,498	46,847	63,650	136,782	82,674	54,108
Non-current and current borrowings (+)	<b>1,210,817</b>	55,507	1,155,310	<b>1,015,336</b>	94,188	921,148
Other current debt (+)	<b>153</b>	153		<b>4</b>	4	
Hedging instruments – liabilities (+) <sup>(1)</sup>	<b>12,546</b>	12,546		<b>12,757</b>	12,757	
<b>Total borrowings (B)</b>	<b>1,223,516</b>	<b>68,206</b>	<b>1,155,310</b>	<b>1,028,097</b>	<b>106,949</b>	<b>921,148</b>
Available-for-sale financial assets – FMEA 2 fund (-) <sup>(2)</sup>	<b>(1,427)</b>		(1,427)	<b>(1,172)</b>		(1,172)
Other financial assets (-)	<b>(97,956)</b>	(24,093)	(73,863)	<b>(83,573)</b>	(18,833)	(64,740)
<i>of which non-current financial receivables<sup>(3)</sup></i>	(38,622)		(38,622)	(23,043)		(23,043)
<i>of which negotiable debt securities<sup>(3)</sup></i>	-		-	(5,000)		(5,000)
<i>of which finance receivables<sup>(3)</sup></i>	(59,334)	(24,093)	(35,241)	(55,530)	(18,833)	(36,697)
Other current financial assets and financial receivables (-)	<b>(32,091)</b>	(32,091)		<b>(27,010)</b>	(27,010)	
<i>of which negotiable debt securities</i>	(24,021)	(24,021)		(19,030)	(19,030)	
Hedging instruments, assets (-) <sup>(4)</sup>	<b>(4,245)</b>	(4,245)		<b>(1,558)</b>	(1,558)	
<b>Total financial receivables (C)</b>	<b>(135,719)</b>	(60,429)	(75,290)	<b>(113,313)</b>	(47,401)	(65,912)
<b>Gross debt (D) = (B) + (C)</b>	<b>1,087,797</b>	7,777	1,080,020	<b>914,784</b>	59,548	855,236
Cash and cash equivalents (-) <sup>(4)</sup>	<b>828,877</b>	828,877		<b>663,156</b>	663,156	
Short-term bank loans and overdrafts (+)	<b>(4,541)</b>	(4,541)		<b>(15,891)</b>	(15,891)	
Net cash and cash equivalents as recorded in the statement of cash flows (A) <sup>(5)</sup>	<b>(824,336)</b>	(824,336)		<b>(647,265)</b>	(647,265)	
<b>NET DEBT (E) = (D) + (A)</b>	<b>263,461</b>	<b>(816,559)</b>	<b>1,080,020</b>	<b>267,519</b>	<b>(587,717)</b>	<b>855,236</b>

(1) See Note 5.2.5 "Interest rate and foreign exchange hedges".

(2) See Note 5.1.4 "Available-for-sale financial assets".

(3) See Note 5.1.5 "Other non-current financial assets".

(4) See Note 5.1.9.1 "Cash and cash equivalents – gross".

(5) See Note 5.1.9.2 "Net cash and cash equivalents at close".

5.2.4.6. Analysis of debt by currency

<i>As a % of total debt</i>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Euro	90%	88%
US dollar	5%	5%
Chinese yuan	4%	4%
Pound sterling	1%	1%
Brazilian real	0%	1%
Other currencies <sup>(1)</sup>	0%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

<sup>(1)</sup> "Other currencies" concerns various currencies, which, taken individually, account for less than 1% of total financial debt over the two periods.

5.2.4.7. Analysis of debt by type of interest rate

<i>As a % of total debt</i>	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Hedged variable rates	15%	12%
Unhedged variable rates	6%	8%
Fixed rates	79%	80%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**5.2.5. Interest rate and currency hedges**

<i>In thousands of euros</i>	<b>June 30, 2016</b>		<b>December 31, 2015</b>	
	<b>Assets</b>	<b>Liabilities and Shareholders' Equity</b>	<b>Assets</b>	<b>Liabilities and Shareholders' Equity</b>
Interest rate derivatives	-	(8,286)	-	(8,145)
Foreign exchange derivatives	4,245	(4,260)	1,558	(4,612)
<b>Total balance sheet</b>	<b>4,245</b>	<b>(12,546)</b>	<b>1,558</b>	<b>(12,757)</b>

5.2.5.1. Interest rate hedges

Interest rate hedges included swaps and caps. Their purpose is to hedge variable rate debt against increases in interest rates.

The total notional amount of derivative instruments used to manage interest rate risks was €255 million at June 30, 2016, as it was at December 31, 2015.

At June 30, 2016 as at December 31, 2015, the nominal value of cash-flow hedges as per IAS 39 amounted to €60 million.

Non-hedging instruments nonetheless form part of the Group's interest rate hedging strategy, as it obtains financing at variable rates of interest, in particular under the framework of its sales of receivables.

The derivatives are recognized in the balance sheet at fair value under "Hedging instruments" in assets or in liabilities.

For derivatives that qualify for hedge accounting under IFRS:

- the effective portion of the gain or loss on the hedging instrument is recognized in equity (in “Other comprehensive income”);
- it is reclassified to the income statement in the same period in which the hedged cash flows (i.e. interest payments) affect profit;
- the time value of options is excluded from the hedging relationship. Changes in the time value of options and the ineffective portion of the gain or loss on the hedging instrument are recognized in profit or loss.

Changes in fair value of instruments that do not qualify for hedge accounting are recognized directly in profit or loss.

#### 5.2.5.1.1. Derivative portfolio

In thousands of euros	June 30, 2016			December 31, 2015		
	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities
Interest rate derivatives (fair value)	(8,286)	-	(8,286)	(8,145)	-	(8,145)
Outstanding premiums	(694)	-	(694)	(1,035)	-	(1,035)
<b>Total fair value and outstanding premiums</b>		-	<b>(8,980)</b>		-	<b>(9,180)</b>

Composition of interest rate derivatives portfolio:

In thousands of euros	June 30, 2016								
	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI <sup>(4)</sup>	Nominal	Maturity	Reference interest rate	Outstanding premiums <sup>(2)</sup>	Nature of derivative
Caps	-	-	-	-	60,000	May 2017	2-month Euribor	(283)	CFH <sup>(3)</sup>
Caps	-	-	-	-	90,000	June 2017	1-month Euribor	(411)	Not qualified
Swaps	(8,286)	-	(8,286)	-	105,000	February 2019	1-month Euribor	N/A	Not qualified
<b>Total</b>	<b>(8,286)</b>	-	<b>(8,286)</b>	-	<b>255,000</b>			<b>(694)</b>	

In thousands of euros	December 31, 2015								
	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI <sup>(4)</sup>	Nominal	Maturity	Reference interest rate	Outstanding premiums <sup>(2)</sup>	Nature of derivative
Caps	-	-	-	-	60,000	May 2017	2-month Euribor	(424)	CFH <sup>(3)</sup>
Caps	-	-	-	-	90,000	June 2017	1-month Euribor	(611)	Not qualified
Swaps	(8,145)	-	(8,145)	-	105,000	February 2019	1-month Euribor	N/A	Not qualified
<b>Total</b>	<b>(8,145)</b>	-	<b>(8,145)</b>	-	<b>255,000</b>			<b>(1 035)</b>	

(1) OCI: Other comprehensive income

(2) Cap premiums are paid out in installments over the duration of the instruments. Outstanding premium amounts are classified under liabilities and shareholders' equity in the consolidated balance sheet under “Non-current debt” and “Current debt”.

(3) CFH: Cash flow hedges.

**5.2.5.1.2. Amounts recognized in equity under “Other comprehensive income”**

The following amounts are expressed as gross values before tax.

In thousands of euros	Balance before tax recorded in OCI <sup>(1)</sup> at December 31, 2015	Transactions in the period	Change in fair value of derivatives	Fair value adjustments reclassified in profit or loss	Balance before tax recorded in OCI <sup>(1)</sup> at June 30, 2016
Effective portion of gains and losses on derivatives in the portfolio	-	-	-	-	-
Effect of August 2010 and February 2012 restructuring of the derivatives portfolio <sup>(2)</sup>	2,627	-	-	(401)	2,226
Effect of June 2013 restructuring of the derivatives portfolio	(5,157)	-	-	815	(4,342)
<b>Total</b>	<b>(2,530)</b>	<b>-</b>	<b>-</b>	<b>414</b>	<b>(2,116)</b>

In thousands of euros	Balance before tax recorded in OCI <sup>(1)</sup> at December 31, 2014	Transactions in the period	Change in fair value of derivatives	Fair value adjustments reclassified in profit or loss	Balance before tax recorded in OCI <sup>(1)</sup> at December 31, 2015
Effective portion of gains and losses on derivatives in the portfolio	(1,414)	-	1,414	-	-
Effect of August 2010 and February 2012 restructuring of the derivatives portfolio <sup>(2)</sup>	3,303	-	-	(676)	2,627
Effect of June 2013 restructuring of the derivatives portfolio	(8,453)	-	-	3,296	(5,157)
<b>Total</b>	<b>(6,564)</b>	<b>-</b>	<b>1,414</b>	<b>2,620</b>	<b>(2,530)</b>

<sup>(1)</sup> OCI: Other Comprehensive Income.

<sup>(2)</sup> Restructuring of derivatives portfolio with no impact on cash flow, so as to extend maturity of hedging instruments.

**5.2.5.1.3. Impact of hedging on the income statement**

In thousands of euros	June 30, 2016	December 31, 2015
Effective component of hedging instruments related to derivatives portfolio (hedging of interest rates accruing over the period)	(1,778)	(4,217)
Reclassification in profit or loss of accumulated gains and losses following past restructurings <sup>(1)</sup>	(414)	(2,620)
Time value of caps	341	674
Changes in fair value of instruments that do not qualify for hedge accounting	(140)	2,332
<b>Total<sup>(2)</sup></b>	<b>(1,991)</b>	<b>(3,831)</b>

<sup>(1)</sup> See Note 5.2.5.1.2 “Reclassified in profit or loss”.

<sup>(2)</sup> See “Gains or losses on interest rate and currency hedges” in Note 4.6. “Net financial income”.  
See also the impact of currency hedges in Note 5.2.5.2.

**5.2.5.2. Currency hedges**

The Group uses derivatives to hedge its exposure to currency risks.

In first-half 2016, the Group implemented a policy of hedging the highly probable future transactions in foreign currencies of its various entities. Hedging instruments implemented within this framework include forward foreign currency purchases. The Group applied to these instruments the accounting treatment of cash flow hedges as required by IAS 39.89: the instruments are measured at fair value, and changes in value are recognized in equity for the effective part. The amounts recognized in equity are transferred to profit or loss when the hedged cash flows affect the income.

At June 30, 2016, the fair value of instruments implemented and recognized was a negative €525 thousand, of which a negative €293 thousand recognized in equity.

Changes in the fair value of other currency hedging instruments are recognized in income.

**5.2.5.2.1. Portfolio of currency hedges:**

	June 30, 2016				December 31, 2015			
	Fair value in thousands of euros	Notional amount in thousands of currency units	Medium-term exchange rate	Exchange rate at June 30, 2016	Fair value in thousands of euros	Notional amount in thousands of currency units	Medium-term exchange rate	Exchange rate at December 31, 2015
			Currency/Euro	Currency/Euro			Currency/Euro	Currency/Euro
<b>Net sell position (net buy position if &lt;0)</b>								
USD - Forward exchange contract	(221)	(95,209)	1.1194	1.1102	+221	(31,891)	1.1024	1.0887
GBP - Forward exchange contract	+3,835	(29,518)	0.7477	0.8265	+510	(30,561)	0.7280	0.7340
HUF - Forward exchange contract	-	-	-	317.0600	+1	(59,396)	313.5869	315.9800
CHF - Forward exchange contract	(1)	(651)	1.0853	1.0867				
CNY - Forward exchange contract	-	-	-	-	+253	(48,000)	7.0550	7.0608
MYR - Forward exchange contract	-	-	-	4.4301	-	(1,060)	4.6942	4.6959
SEK - Forward exchange contract	-	+184	9.3100	9.4242	-	-	-	-
MXN - Forward exchange contract	(157)	+450,000	18.2883	20.6347	-	-	-	-
USD - Forward currency swap	(3,787)	(312,551)	1.1258	1.1102	(4,596)	(191,950)	1.1200	1.0887
CNY - Forward currency swap	+7	(48,000)	7.6648	7.3755	-	-	-	-
GBP - Forward currency swap	+403	(9,345)	0.7988	0.8265	(62)	(11,617)	0.7368	0.7340
CZK - Forward currency swap	-	-	-	-	-	+834	26.9350	27.0230
JPY - Forward currency swap	(5)	(13,472)	118.5200	114.0500	-	-	-	-
RUB - Forward currency swap	(86)	(330,000)	72.9700	71.5200	+619	(900,000)	76.7620	80.6736
PLN - Forward currency swap	(3)	+2,922	4.4198	4.4362	-	-	-	-
<b>Total</b>	(15)				(3,054)			

**5.2.5.2.2. Impact of unsettled foreign exchange hedges on income and equity:**

In thousands of euros	June 30, 2016	December 31, 2015
Impact of change in foreign exchange hedging portfolio on income (ineffective portion) <sup>(1)</sup>	3,332	1,329
Impact of change in foreign exchange hedging portfolio on equity (effective portion)	(293)	-
<b>Total</b>	<b>3,039</b>	<b>1,329</b>

<sup>(1)</sup> See "Gains or losses on interest rate and currency hedges" in Note 4.6. "Net financial income".

See also Note 5.2.5.1.3 "Impact of hedging on the income statement".

5.2.6. Operating and other liabilities

5.2.6.1. Trade payables

In thousands of euros	June 30, 2016	December 31, 2015
Trade payables	997,310	897,404
Due to suppliers of fixed assets	78,293	113,027
<b>Total</b>	<b>1,075,603</b>	<b>1,010,431</b>

5.2.6.2. Other operating liabilities

In thousands of euros	June 30, 2016	December 31, 2015
Accrued employee benefits expense	130,681	119,769
Accrued income taxes	35,169	30,877
Other accrued taxes	74,253	67,090
Other payables	165,668	141,497
Customer prepayments	148,818	144,744
<b>Total</b>	<b>554,589</b>	<b>503,977</b>

5.2.6.3. Trade payables and other operating liabilities by currency

In thousands of currency units		Liabilities at June 30, 2016			Liabilities at December 31, 2015		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	779,043	779,043	48%	689,143	689,143	46%
USD	US dollar	433,808	390,748	24%	426,623	391,865	26%
GBP	Pound sterling	133,187	161,146	10%	109,647	149,393	10%
BRL	Brazilian real	91,179	25,400	2%	62,169	14,419	1%
CNY	Chinese yuan	687,498	93,214	6%	720,017	101,974	7%
Other	Other currencies		180,641	11%		167,614	10%
<b>Total</b>			<b>1,630,192</b>	<b>100%</b>		<b>1,514,408</b>	<b>100%</b>

<i>Of which:</i>							
Trade payables			1,075,603	66%		1,010,431	67%
Other operating liabilities			554,589	34%		503,977	33%

## COMPAGNIE PLASTIC OMNIUM –2016 Interim Results Report

Sensitivity tests on exchange rate movements for “Trade payables and other liabilities” give the following results:

In thousands of currency units		Sensitivity tests on liabilities June 30, 2016						Sensitivity tests on liabilities December 31, 2015					
		Base		Increase – all currencies		Decrease – all currencies		Base		Increase – all currencies		Decrease – all currencies	
				+10%	+20%	-10%	-20%			+10%	+20%	-10%	-20%
		Local currency	Conversion rate	%	%	%	%	Local currency	Conversion rate	%	%	%	%
EUR	Euro	779,043	1.00000	45%	43%	50%	53%	689,143	1.00000	43%	41%	48%	51%
USD	US dollar	433,808	0.90074	25%	26%	23%	21%	426,623	0.91853	27%	28%	25%	23%
GBP	Pound sterling	133,187	1.20992	10%	11%	9%	9%	109,647	1.36249	10%	11%	9%	9%
CNY	Chinese yuan	687,498	0.13558	6%	6%	5%	5%	720,017	0.14163	7%	7%	6%	6%
BRL	Brazilian real	91,179	0.27857	2%	2%	1%	1%	62,169	0.23193	1%	1%	1%	1%
Other	Other currencies			12%	12%	12%	11%			12%	12%	11%	10%
Total in euros			1,630,192	1,715,306	1,800,420	1,545,076	1,459,961		1,514,408	1,596,935	1,679,462	1,431,882	1,349,355
<b>Of which:</b>													
Trade payables			1,075,603	1,131,762	1,187,921	1,019,444	963,285		1,010,431	1,065,493	1,120,556	955,368	900,305
Other operating liabilities			554,589	583,544	612,499	525,632	496,676		503,977	531,442	558,906	476,514	449,050

Currency sensitivity tests on “Trade payables and other operating liabilities” and “Trade and other receivables” (See Note 5.1.8) give practically the same net exposure for the Group by currency as the exposure calculated based on actual data at June 30, 2016.

**6. CAPITAL MANAGEMENT AND MARKET RISKS**

Compagnie Plastic Omnium has set up a global cash management system with its subsidiary Plastic Omnium Finance, which manages liquidity, currency and interest rate risks on behalf of all subsidiaries. The market risks strategy, which may involve entering into balance sheet and off-balance sheet commitments, is approved every quarter by the Chairman and Chief Executive Officer.

**6.1. Capital management**

Plastic Omnium raises equity and debt capital on the markets to meet its objective of maintaining ready access to sufficient financial resources to carry out its business operations, fund the investments required to drive growth and respond to exceptional circumstances.

It seeks funding from the capital markets, leading to capital and financial liabilities management.

Under its capital management, the Group pays dividends to its shareholders and may adjust its strategy in line with changes in economic conditions.

The capital structure may also be adjusted by paying ordinary or special dividends, buying back and canceling Company shares, returning a portion of the share capital to shareholders or issuing new shares and/or securities carrying rights to shares.

The Group uses the gearing ratio – corresponding to the ratio of consolidated net debt to equity – as an indicator of its financial condition. Net debt includes all of the Group’s interest-bearing financial liabilities (other than operating payables) less cash and cash equivalents and other financial assets (other than operating receivables), such as loans and marketable securities. At June 30, 2016 and at December 31, 2015, the gearing ratio was as follows:

In thousands of euros	June 30, 2016	December 31, 2015
Net debt <sup>(1)</sup>	263,461	267,519
Equity (including non-current government grants)	1,345,352	1,301,194
<b>Gearing ratio</b>	<b>19.58%</b>	<b>20.56%</b>

<sup>(1)</sup> See Note 5.2.4.5 “Reconciliation of gross and net debt”.

None of the Group’s bank loans or financial liabilities contains acceleration clauses based on compliance with financial ratios.

As part of its capital management strategy, the Group has made the following changes to its liquidity contract with financial institutions:

Compagnie Plastic Omnium ended the liquidity agreement signed with CM-CIC Securities.

Compagnie Plastic Omnium signed a new liquidity agreement on January 2, 2015 with Kepler Capital Markets SA, with a one-year term, renewable automatically. The agreement is compliant with the Code of Ethics drawn up by AMAFI (French Association of Financial Markets) and approved by the AMF (decision of March 21, 2011) and relates to Compagnie Plastic Omnium ordinary shares. The liquidity account shows the following positions:

- At June 30, 2016:
  - 45,845 shares;
  - and €2,274,343.85 in cash.
  
- At December 31, 2015:
  - 15,712 shares;
  - and €2,902,327 in cash.

- At June 30, 2015:
  - 54,461 shares;
  - and €1,721,516 in cash.

## 6.2. Credit risk

Credit risk covers customer credit risk and bank counterparty risk.

### 6.2.1. Customer risk

At June 30, 2016, 7.1% of the Group's Trade receivables were past due, against 8.6% at December 31, 2015. Trade receivables break down as follows:

#### Ageing analysis of receivables:

June 30, 2016 In thousands of euros	Total outstanding	Not yet due	Due and past due
Automotive	655,053	616,215	38,838
Environment	52,672	41,440	11,232
Unallocated items	1,740	1,725	15
<b>Total</b>	<b>709,465</b>	<b>659,380</b>	<b>50,085</b>

December 31, 2015 In thousands of euros	Total outstanding	Not yet due	Due and past due
Automotive	522,799	484,679	38,120
Environment	46,780	35,394	11,386
Unallocated items	8,276	8,261	15
<b>Total</b>	<b>577,855</b>	<b>528,334</b>	<b>49,521</b>

The risk of non-recovery is low and involves only a non-material amount of receivables more than twelve months past due.

### 6.2.2. Bank counterparty risk

The Group invests its cash surplus with first class banks and/or in senior securities.

## 6.3. Liquidity risk

The Group needs access, at all times, to adequate financial resources not only to finance operations and the investments required to support its growth, but also to withstand the effects of any exceptional events.

This requirement is met primarily through medium-term bank lines of credit, but also through short-term bank facilities.

The cash position of each division and the Group position are reviewed on a daily basis and a cash report is submitted to the Chairman and Chief Executive Officer and the Chief Operating Officers every week.

**6.3.1. Financial liabilities by maturity**

Financial liabilities by maturity are calculated on the basis of the undiscounted contractual cash flows. The analysis of financial liabilities is as follows:

**At June 30, 2016:**

In thousands of euros	June 30, 2016	Less than 1 year	1 to 5 years	More than 5 years
<b>Financial liabilities</b>				
Non-current borrowings <sup>(1)</sup>	1,253,503	71,600	880,104	301,800
Bank overdrafts	4,541	4,541	-	-
Current borrowings <sup>(2)</sup>	57,334	57,334	-	-
Other current debt	153	153	-	-
Hedging instruments	12,546	12,546	-	-
Trade payables	1,075,603	1,075,603	-	-
<b>Total financial liabilities</b>	<b>2,403,680</b>	<b>1,221,776</b>	<b>880,104</b>	<b>301,800</b>

(1) “Non-current borrowings” includes the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

(2) “Current borrowings” includes the amounts reported in the balance sheet and interest due within one year.

**At December 31, 2015**

In thousands of euros	December 31, 2015	Less than 1 year	1 to 5 years	More than 5 years
<b>Financial liabilities</b>				
Non-current borrowings <sup>(1)</sup>	1,037,995	28,546	1,005,728	3,721
Bank overdrafts	15,891	15,891	-	-
Current borrowings <sup>(2)</sup>	97,890	97,890	-	-
Other current debt	4	4	-	-
Hedging instruments	12,757	12,757	-	-
Trade payables	1,010,431	1,010,431	-	-
<b>Total financial liabilities</b>	<b>2,174,969</b>	<b>1,165,520</b>	<b>1,005,728</b>	<b>3,721</b>

(1) “Non-current borrowings” includes the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

(2) “Current borrowings” includes the amounts reported in the balance sheet and interest due within one year.

## **7. ADDITIONAL INFORMATION**

### **7.1. Related party transactions**

Related party transactions correspond to transactions with Sofiparc, Burelle SA and Burelle Participations. No changes occurred in the contracts between the Group and these companies during the period.

No material change has been made to the compensation paid to senior executives and officers since December 31, 2015.

### **7.2. Subsequent events**

#### **Acquisition of the “Exterior Systems” business of the Faurecia Group**

Plastic Omnium’s acquisition of Faurecia’s Exteriors Systems business was approved by the European Commission on July 11, 2016, subject to certain conditions. The activity will be consolidated from July 29, 2016 (see note 2.2 “Acquisition of the “Exterior Systems” business of the Faurecia Group”).

No other event has occurred since June 30, 2016 that would be likely to have a material impact on the Group’s business, financial position, earnings or assets and liabilities.

**LIST OF CONSOLIDATED COMPANIES AT JUNE 30, 2016**

Legal name	Reportable segments			June 30, 2016			December 31, 2015			June 30, 2015			Tax group
	Auto-motive	Environment	Not allocated	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	
<b>France</b>													
COMPAGNIE PLASTIC OMNIUM SA			*	Parent company			Parent company			Parent company			1 - a
PLASTIC OMNIUM SYSTEMES URBAINS SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - b
METROPLAST SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - b
LA REUNION VILLES PROPRES SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM CARAIBES SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - b
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS	*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC RECYCLING SAS	*			EM_IFRS_2014	50	50	EM_IFRS_2014	50	50	EM_IFRS_2014	50	50	
PLASTIC OMNIUM AUTO EXTERIEUR SA	*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO EXTERIEUR SERVICES SAS	*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM GESTION SNC			*	FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM FINANCE SNC			*	FC	100	100	FC	100	100	FC	100	100	1 - a
LUDOPARC SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM ENVIRONNEMENT SAS	d2015	*		-	-	-	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO EXTERIORS SAS	*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY SAS	*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY MANAGEMENT SAS	*			FC	100	100	FC	100	100	FC	100	100	1 - a
VALEO PLASTIC OMNIUM SNC	*			EM_IFRS_2014	50	50	EM_IFRS_2014	50	50	EM_IFRS_2014	50	50	
BEAUVAIS DIFFUSION SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM VERNON SAS	*			FC	100	100	FC	100	100	FC	100	100	1 - a
TECHNIQUES ET MATERIELS DE COLLECTE - "TEMACO" SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM COMPOSITES SA	*			FC	100	100	FC	100	100	FC	100	100	1 - a
MIXT COMPOSITES ET RECYCLABLES - MCR SAS	*			FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM ENVIRONNEMENT HOLDING SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - b
SIGNALISATION FRANCE SA			*	FC	100	100	FC	100	100	FC	100	100	1 - b
SULO FRANCE SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM AUTO EXTERIORS INDUSTRIES SAS	d2015	*		-	-	-	FC	100	100	FC	100	100	
PLASTIC OMNIUM INTERNATIONAL SAS	d2015	*		-	-	-	FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS INDUSTRIES SAS	d2016	*		FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY SERVICES SAS	a2015	*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY FRANCE SAS	a2015	*		FC	100	100	FC	100	100	-	-	-	
<b>South Africa</b>													
PLASTIC OMNIUM AUTO INERGY SOUTH AFRICA (PROPRIETARY) LTD	*			FC	100	100	FC	100	100	FC	100	100	

**COMPAGNIE PLASTIC OMNIUM –2016 Interim Results Report**

Legal name	Reportable segments			June 30, 2016			December 31, 2015			June 30, 2015			Tax group
	Auto- motive	Environ- ment	Not allocated	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	
<b>Germany</b>													
PLASTIC OMNIUM GmbH			*	FC	100	100	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM AUTO COMPONENTS GmbH	*			FC	100	100	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - c
PLASTIC OMNIUM AUTO INERGY GERMANY GmbH	*			FC	100	100	FC	100	100	FC	100	100	2 - b
HBPO BETEILIGUNGSGESELLSCHAFT GmbH	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
HBPO RASTATT GmbH	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
HBPO GERMANY GmbH	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
HBPO GmbH	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
PLASTIC OMNIUM ENVIRONNEMENT GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - c
ENVICOMP SYSTEMLOGISTIK GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - a
WESTFALIA INTRALOG GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - a
SULO EISENWERK STREUBER & LOHMANN GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - c
SULO UMWELTECHNIK GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - c
SULO UMWELTECHNIK BETEILIGUNGS GmbH	e2016	*		FC	100	100	FC	100	100	FC	100	100	
SULO EMBALLAGEN GmbH	a2015	*		FC	100	100	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM URBAN SYSTEMS GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - a
PLASTIC OMNIUM COMPOSITES GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM SYSTEMS GmbH	f2016 x2016a	*		FC	100	100	FC	70	70	FC	70	70	
HBPO INGOLSTADT GmbH	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
HBPO REGENSBURG GmbH	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
SULO EA GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - c
<b>Argentina</b>													
PLASTIC OMNIUM AUTO INERGY ARGENTINA SA	*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM SA	*			FC	100	100	FC	100	100	FC	100	100	
<b>Belgium</b>													
PLASTIC OMNIUM AUTOMOTIVE NV	e2015	*		-	-	-	FC	100	100	FC	100	100	
PLASTIC OMNIUM NV		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM ADVANCED INNOVATION AND RESEARCH NV		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY BELGIUM SA		*		FC	100	100	FC	100	100	FC	100	100	
<b>Brazil</b>													
INERGY AUTOMOTIVE SYSTEMS DO BRASIL Ltda		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM DO BRASIL Ltda		*		FC	100	100	FC	100	100	FC	100	100	
HBPO BRASIL AUTOMOTIVE SERVICOS Ltda	a2016	*		EM_IFRS_2014	33.33	33.33	-	-	-	-	-	-	

**COMPAGNIE PLASTIC OMNIUM –2016 Interim Results Report**

Legal name	Reportable segments			June 30, 2016			December 31, 2015			June 30, 2015			Tax group
	Auto-motive	Environment	Not allocated	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	
<b>Canada</b>													
HBPO CANADA INC.	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
<b>Chile</b>													
PLASTIC OMNIUM SA		*		FC	100	100	FC	100	100	FC	100	100	
<b>China</b>													
PLASTIC OMNIUM COMPOSITES (JIANGSU) Co. Ltd	*			FC	100	100	FC	100	100	FC	100	100	
WUHAN PLASTIC OMNIUM AUTO INERGY Co. Ltd	*			FC	100	100	FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	
PLASTIC OMNIUM INERGY (SHANGHAI) CONSULTING Co. Ltd	*			FC	100	100	FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS CONSULTING (BEIJING) Co. Ltd	*			FC	100	100	FC	100	100	FC	100	100	
BEIJING PLASTIC OMNIUM AUTO INERGY Co. Ltd	x2016c	*		FC	60	60	FC	60	60	FC	60	60	
CHONGQING YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR FAWAY Co. Ltd	*			EM_IFRS_2014	49.95	25.47	EM_IFRS_2014	49.95	25.47	EM_IFRS_2014	49.95	25.47	
GUANGZHOU ZHONGXIN YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR TRIM Co. Ltd	*			EM_IFRS_2014	49.95	25.47	EM_IFRS_2014	49.95	25.47	EM_IFRS_2014	49.95	25.47	
CHENGDU FAWAY YANFENG PLASTIC OMNIUM Co. Ltd	*			EM	24.48	24.48	EM	24.48	24.48	EM	24.48	24.48	
HBPO CHINA Co. Ltd	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
YANFENG PLASTIC OMNIUM (SHANGHAI) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	
DONGFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM	24.98	24.98	EM	24.98	24.98	EM	24.98	24.98	
GUANGZHOU PLASTIC OMNIUM AUTO INERGY Co. Ltd	*			FC	100	100	FC	100	100	FC	100	100	
SHENYANG PLASTIC OMNIUM AUTO INERGY Co. Ltd	*			FC	100	100	FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM YIZHENG AUTOMOTIVE EXTERIOR SYSTEM Co. Ltd	*			EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	
PLASTIC OMNIUM HOLDING (SHANGHAI) Co. Ltd			*	FC	100	100	FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM (SHENYANG) AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	
YANFENG PLASTIC OMNIUM NINGBO AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	
YANFENG PLASTIC OMNIUM WUHAN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	*			EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	
(NINGBO) PLASTIC OMNIUM AUTO INERGY Co. Ltd	*			FC	100	100	FC	100	100	FC	100	100	
HBPO CHINA BEIJING Co. Ltd	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
YANFENG PLASTIC OMNIUM HARBIN AUTOMOTIVE EXTERIOR SYSTEMS Co. Ltd	a2015	*		EM_IFRS_2014	49.95	49.95	EM_IFRS_2014	49.95	49.95	-	-	-	
CHONGQING PLASTIC OMNIUM AUTO INERGY Co. Ltd	a2015	*		FC	100	100	FC	100	100	-	-	-	
<b>South Korea</b>													
SHB AUTOMOTIVE MODULES	*			EM_IFRS_2014	16.67	16.67	EM_IFRS_2014	16.67	16.67	EM_IFRS_2014	16.67	16.67	
HBPO KOREA Ltd	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
PLASTIC OMNIUM Co. Ltd	*			FC	100	100	FC	100	100	FC	100	100	
HBPO PYEONGTAEK Ltd	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
HBPO ASIA HQ Ltd	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	

**COMPAGNIE PLASTIC OMNIUM –2016 Interim Results Report**

Legal name	Reportable segments			June 30, 2016			December 31, 2015			June 30, 2015			Tax group
	Auto-motive	Environment	Not allocated	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	
<b>Spain</b>													
COMPAÑIA PLASTIC OMNIUM SA			*	FC	100	100	FC	100	100	FC	100	100	3
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA	*			FC	100	100	FC	100	100	FC	100	100	3
PLASTIC OMNIUM SISTEMAS URBANOS SA		*		FC	100	100	FC	100	100	FC	100	100	3
PLASTIC OMNIUM AUTO INERGY SPAIN SA	*			FC	100	100	FC	100	100	FC	100	100	3
PLASTIC OMNIUM COMPOSITES ESPAÑA SA	*			FC	100	100	FC	100	100	FC	100	100	3
HBPO IBERIA SL	d2015	*		-	-	-	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
SIGNATURE SEÑALIZACIÓN SA		*		FC	100	100	FC	100	100	FC	100	100	3
HBPO AUTOMOTIVE SPAIN SL	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
PLASTIC OMNIUM COMPONENTES EXTERIORES SL	*			FC	100	100	FC	100	100	FC	100	100	3
<b>United States</b>													
PLASTIC OMNIUM AUTO EXTERIORS LLC	*			FC	100	100	FC	100	100	FC	100	100	4
PLASTIC OMNIUM Inc.			*	FC	100	100	FC	100	100	FC	100	100	4
PLASTIC OMNIUM INDUSTRIES Inc.			*	FC	100	100	FC	100	100	FC	100	100	4
PLASTIC OMNIUM AUTO INERGY (USA) LLC	*			FC	100	100	FC	100	100	FC	100	100	4
PLASTIC OMNIUM AUTOMOTIVE SERVICES Inc.	e2016	*		FC	100	100	FC	100	100	FC	100	100	4
HBPO NORTH AMERICA Inc.	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
<b>Hungary</b>													
HBPO MANUFACTURING HUNGARY Kft	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
HBPO AUTOMOTIVE HUNGARIA Kft	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
<b>India</b>													
PLASTIC OMNIUM AUTO EXTERIORS (INDIA) PVT Ltd	*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDIA PVT Ltd	*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY MANUFACTURING INDIA PVT Ltd	*			FC	55	55	FC	55	55	FC	55	55	
<b>Japan</b>													
PLASTIC OMNIUM KK	*			FC	100	100	FC	100	100	FC	100	100	
HBPO JAPAN KK	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	

**COMPAGNIE PLASTIC OMNIUM –2016 Interim Results Report**

Legal name	Reportable segments			June 30, 2016			December 31, 2015			June 30, 2015			Tax group
	Auto- motive	Environ- ment	Not allocated	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	
<b>Malaysia</b>													
HICOM HBPO SDN BHD	*			EM	13.33	13.33	EM	13.33	13.33	EM	13.33	13.33	
<b>Morocco</b>													
INERGY AUTOMOTIVE SYSTEMS (MOROCCO) SARL	*			FC	100	100	FC	100	100	FC	100	100	
<b>Mexico</b>													
PLASTIC OMNIUM AUTOMOVIL SA DE CV	d2016	*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM DEL BAJIO SA DE CV	d2016	*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY MEXICO SA DE CV		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDUSTRIAL MEXICO SA DE CV		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV	x2016b	*		FC	100	100	FC	100	100	FC	100	100	
INOPLASTIC OMNIUM INDUSTRIAL SA DE CV	d2016	*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV		*		FC	100	100	FC	100	100	FC	100	100	
HBPO MEXICO SA DE CV		*		EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
PLASTIC OMNIUM MEDIO AMBIENTE SA DE CV		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM TOLUCA SA DE CV	d2016	*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INDUSTRIAL SRL DE CV		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY INDUSTRIAL SA DE CV		*		FC	100	100	FC	100	100	FC	100	100	
HBPO SERVICES MEXICO SA DE CV	a2016	*		EM_IFRS_2014	33.33	33.33	-	-	-	-	-	-	
HBPO MANAGEMENT SERVICES MEXICO SA DE CV	a2016	*		EM_IFRS_2014	33.33	33.33	-	-	-	-	-	-	
<b>Netherlands</b>													
PLASTIC OMNIUM BV		*		FC	100	100	FC	100	100	FC	100	100	5
PLASTIC OMNIUM ENVIRONMENT BV		*		FC	100	100	FC	100	100	FC	100	100	5
DSK PLASTIC OMNIUM BV		*		FC	51	51	FC	51	51	FC	51	51	
<b>Poland</b>													
PLASTIC OMNIUM AUTO INERGY POLAND Sp Z.O.O		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORS Sp Z.O.O		*		FC	100	100	FC	100	100	FC	100	100	
SULO Sp Z.O.O		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO Sp Z.O.O		*		FC	100	100	FC	100	100	FC	100	100	

**COMPAGNIE PLASTIC OMNIUM –2016 Interim Results Report**

Legal name	Reportable segments			June 30, 2016			December 31, 2015			June 30, 2015			Tax group
	Auto- motive	Environ- ment	Not allocated	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	Method of Consolidation	% Control	% Interest	
<b><u>Czech Republic</u></b>													
HBPO CZECH S.R.O.	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
SULO S.R.O.		*		FC	100	100	FC	100	100	FC	100	100	
<b><u>Romania</u></b>													
PLASTIC OMNIUM AUTO INERGY ROMANIA SRL	*			FC	100	100	FC	100	100	FC	100	100	
<b><u>United Kingdom</u></b>													
PLASTIC OMNIUM AUTOMOTIVE Ltd	*			FC	100	100	FC	100	100	FC	100	100	6
PLASTIC OMNIUM URBAN SYSTEMS Ltd		*		FC	100	100	FC	100	100	FC	100	100	6
SIGNATURE Ltd		*		FC	100	100	FC	100	100	FC	100	100	6
SULO MGB Ltd		*		FC	100	100	FC	100	100	FC	100	100	
HBPO UK Ltd	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
<b><u>Russia</u></b>													
OOO STRAVROVO AUTOMOTIVE SYSTEMS	*			FC	100	100	FC	100	100	FC	100	100	
DSK PLASTIC OMNIUM INERGY	*			FC	51	51	FC	51	51	FC	51	51	
<b><u>Singapore</u></b>													
SULO ENVIRONMENTAL SYSTEMS PTE Ltd		*		FC	100	100	FC	100	100	FC	100	100	
<b><u>Slovakia</u></b>													
PLASTIC OMNIUM AUTO EXTERIORS S.R.O.	*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO INERGY SLOVAKIA S.R.O.	*			FC	100	100	FC	100	100	FC	100	100	
HBPO SLOVAKIA S.R.O.	*			EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	EM_IFRS_2014	33.33	33.33	
<b><u>Sweden</u></b>													
PLASTIC OMNIUM AB		*		FC	100	100	FC	100	100	FC	100	100	
<b><u>Switzerland</u></b>													
PLASTIC OMNIUM AG		*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM RE AG			*	FC	100	100	FC	100	100	FC	100	100	
<b><u>Thailand</u></b>													
PLASTIC OMNIUM AUTO INERGY THAILAND Co. Ltd	*			FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTOMOTIVE Co. Ltd	*			FC	100	100	FC	100	100	FC	100	100	
<b><u>Turkey</u></b>													
B.P.O. AS	*			EM_IFRS_2014	50	49.98	EM_IFRS_2014	50	49.98	EM_IFRS_2014	50	49.98	

**Consolidation method and notes:**

G:	Full consolidation.
EM:	Entities that were already consolidated by the equity method before the application of the new consolidation standards on January 1, 2014.
EM_IFRS_2014:	Companies consolidated by the equity method since the application of the new consolidation standards as of January 1, 2014.

**Movements during the period:**

**Creation of entities:**

a2015	Companies newly-formed and/or in start-up phase in 2015.
a2016	Companies newly-formed and/or in start-up phase in 2016.

**Merging of entities:**

d2015	Companies merged in 2015.
d2016	Companies merged in 2016.

**Liquidation of entities:**

e2015	Companies liquidated in 2015.
e2016	Companies liquidated in 2016.

**Change in the percentage of Plastic Omnium ownership:**

f2016	Buyout of the minority stake in the German company RMS Rotherm Maschinenbau GmbH. See “x2016a” for the change in corporate name.
-------	--

**Change in company name:**

x2016	<b>Companies whose name was changed in 2016</b>
x2016a	“Plastic Omnium Systems GmbH” is the new corporate name of “RMS Rotherm Maschinenbau GmbH”.
x2016b	“Plastic Omnium Auto Exteriores SA de CV” is the new company name of “Inoplast Composites SA de CV”.
x2016c	“Beijing Plastic Omnium Auto Inergy Co Ltd” is the new name of “Inergy Automotive Systems (Beijing) Co Ltd”.

**Tax group:**

1 - a	Plastic Omnium France;
1 - b	Plastic Omnium France Environment Holding;
2 - a	Germany Systèmes Urbains;
2 - b	Germany Plastic Omnium GmbH;
2 - c	Germany Plastic Omnium Environment;
3	Spain;
4	United States;
5	Netherlands;
6	United Kingdom.

**MAZARS**

61, rue Henri Regnault  
92075 Paris-La Défense Cedex  
S.A. au capital de € 8.320.000

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

**ERNST & YOUNG et Autres**

1/2, place des Saisons  
92400 Courbevoie - Paris-La Défense 1  
S.A.S. à capital variable

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

**Plastic Omnium**

Period from January 1 to June 30, 2016

**Statutory auditors' review report on the half-yearly financial information**

To the Shareholders,

In compliance with the assignment entrusted to us by your annual shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Compagnie Plastic Omnium, for the period from January 1 to June 30, 2016,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

**1. Opinion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matter set out in notes 1.1 and 4.7 to the condensed half-yearly consolidated financial statements on modifying presentation of the CVAE in the consolidated income statement.

## **2. Specific verification**

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July, 26, 2016

The statutory auditors  
*French original signed by*

MAZARS

ERNST & YOUNG et Autres

Jean-Luc Barlet

Gilles Rabier