

COMPAGNIE PLASTIC OMNIUM

2017 Interim Results Report

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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, 2017 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 20, 2017

Laurent Burelle
Chairman and CEO

BUSINESS REVIEW: 2017 HALF-YEAR PERFORMANCE

SIGNIFICANT EVENTS IN FIRST-HALF 2017

One new plant commissioned and one acquired

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 first-half 2017 Plastic Omnium started up an exterior body parts plant in Mexico at San Luis Potosi, which supplies General Motors and Daimler.YFPO, a joint venture 49.95% owned by Plastic Omnium, acquired a joint venture with a local partner, and this company provides exterior parts to the FAW group.

In total, the Group has a manufacturing network of 124 factories worldwide.

In addition, four plants are under construction: one in India, one in China and two in the United States, including the Greer, South Carolina plant. This plant is the pilot facility of the Factory of the Future 4.0, which will position Plastic Omnium on the cutting edge of new production methods combining robotics, algorithms and artificial intelligence. These processes will then be rolled out in all our plants, significantly improving the Group's manufacturing efficiency.

Consolidation of the Automotive Exteriors Systems business acquired in July 2016

On July 31, 2016 Plastic Omnium acquired the Exterior Systems business of the Faurecia Group. Consolidation of this business, which represents a billion euros in revenue and 5,000 people, is under way. The organizations have been completely merged. Three plants were closed down: two front-end module assembly plants in the United States in late 2016 and one exterior parts production plant in Brazil in February 2017. Industrial rationalization also lay behind the closing of two paint lines in two plants in Germany in 2017. Nearly 800 people in total left the Group's employment.

This rationalization will continue into second-half 2017.

Asset disposals

On March 31, 2017 in accordance with the decision of the European Commission, the Group finalized the sale to the American group Flex|N|Gate of the French operations of the exterior systems acquired in 2016, at an enterprise value of €200 million.

Plastic Omnium also sold, on June 30, 2017, its truck composites business, which had annual revenues of about €200 million in France, Mexico and China and employed 1,500 people. This disposal will be relative as of second-half 2017.

Expanded backlog

During first-half 2017, the Group successfully booked sales that further diversified its portfolio by customer, geography and product.

In terms of customers, new orders were placed for exterior parts on the electric vehicle produced by the new U.S. carmaker, Lucid. In all, the Group is supplying three new makers of electric vehicles. In China, local carmakers BYD, Zoyte and GAC have selected Plastic Omnium, bringing the number of totally Chinese carmakers with which the Group works to twenty. Lastly, Jaguar

Land Rover, a major customer for exterior body parts, has placed its first order for fuel systems with Plastic Omnium.

In terms of geography and operations, the new orders obtained from PSA will lead to the construction of a new plant in Morocco, starting up in 2019. At that same time, we will launch the new exterior body parts plant in Slovakia that will enable us to fulfill the new orders from Jaguar Land Rover.

First half 2017 also saw the continued success of our line of innovative products. Tailgate orders were placed by five new carmakers: American OEM, Shanghai General Motors, Dongfeng, Lucid and NextEv, as well as the new fuel system for a plug-in hybrid vehicle by Hyundai.

Development of Open Innovation

Plastic Omnium has emphasized, and diversified, its innovation strategy by bringing out new, disruptive solutions and new business models in order to conform its development to the mobility of the future.

Thus the Group committed €20 million as a co-sponsor in a new fund, Aster VI, of the venture capital firm Aster Capital. The purpose of this fund is to invest in Europe, North America, Israel and Asia in young innovative companies in the areas of new energy, connected mobility, innovative materials and digital transformation.

This investment follows on from the €20 million committed in 2016 to an equity position in E-POCellTech, a company created with the Israeli group Elbit Systems, in the area of fuel cells for tourism vehicles. This could amount to €100 million three years from now.

Plastic Omnium is also going to start construction on a new innovation and advanced research center in Brussels, Δ-Deltatech, making an investment of €50 million in new forms of energy, such as hydrogen. Over 200 engineers will start work in this center in early 2019.

Purchase of treasury stock

In first-half 2017, Plastic Omnium bought back 1.38 million of its own shares for a total of €46.5 million. Treasury stock accounted for 3.4% of equity at June 30, 2017, i.e. 5.2 million shares.

In their meeting of July 20, 2017, the Board of Directors voted to cancel 1.5 million treasury shares as of August 14, 2017. After this cancellation, the percentage of control of Burelle SA will go from 57.01% to 57.57%.

Bond issue

In June 2017, Compagnie Plastic Omnium placed a €500 million bond issue with European investors. This bond, without covenants or rating, matures in seven years and has a 1.25% coupon.

The proceeds of this issue will be used for the Group's general financing needs. It strengthens the Group's financial structure by extending the average maturity of its debt and diversifying its sources. At June 30, 2017 the Group held €700 million in cash and cash equivalents and €1.3 billion in unused medium-term lines of credit.

CONSOLIDATED INTERIM 2017 RESULTS

Compagnie Plastic Omnium's **economic revenue¹** amounted to €4,062.2 million in first-half 2017, an increase over first-half 2016 of 27.8% as reported and 12.3% at constant scope of consolidation and exchange rates. The increase was, respectively, 29.9% and 11.3% in consolidated revenue, excluding joint ventures.

In €M, by segment	First-half 2016	First-half 2017	Change	At constant scope and exchange rates
Automotive	2,992.8	3,894.2	+30.1%	+12.6%
Environment	186.7	168.0	-10.0%	+7.4%
Economic revenue¹	3,179.5	4,062.2	+27.8%	+12.3%
Consolidated revenue²	2,660.0	3,454.9	+29.9%	+11.3%

In first-half 2017 Plastic Omnium's **Automotive revenue¹** was €3,894.2 million, up 30.1%. This includes €492.1 million of revenue from exterior body parts, a business acquired in July 2016. Revenue rose 12.6% at constant scope and exchange rates. Growth in automobile manufacturing during the period was 2.8%. Our outperformance during the period was therefore 10pts. It was due to:

- gains in market share in North America and China, supported by a major investment program and a strong position in the SUV segment;
- greater diversification of our customer portfolio, with increased penetration particularly due to Jaguar Land Rover and Chinese national carmakers;
- the success of our innovative products, in particular the pick-up in SCR emissions control systems for diesel engines, whose contribution to revenue rose 57% in first-half 2017, to €202 million.

The Environment division's business activities, after the sale of peripheral operations in mid-2016, is now totally refocused on products and services to improve waste management for local authorities and industry. After second-half 2016 growth of 4.2%, first-half 2017 growth was 7.4% at constant scope and exchange rates.

By region, growth was driven by the performances in North America, Asia and South America.

In €M and as a % of revenue, by geographic region	First-half 2016	First-half 2017	Change	At constant scope and exchange rates
Europe/Africa	1,742.9 55%	2,235.0 55%	+28.2%	+3.8%
North America	832.3 26%	1,048.0 26%	+25.9%	+22.7%
South America	75.5 2%	129.1 3%	+70.9%	+29.9%
Asia	528.7 17%	650.1 16%	+23.0%	+21.2%
Economic revenue¹	3,179.5 100%	4,062.2 100%	+27.8%	+12.3%
Consolidated revenue²	2,660.0	3,454.9	+29.9%	+11.3%

In first-half 2017 by nationality, German carmakers were the leading contributors to automotive sales, with 36% of this business, ahead of American (27%), Asian (18%) and French (16%) carmakers.

By brand, General Motors was the Group's top customer, with 12% of automotive sales, ahead of Volkswagen at 11% and Ford and PSA at 10%.

The consolidated gross profit was €560.8 million, up from €463.2 million in first-half 2016. This represents 16.2% of revenue, compared with 17.4% in first-half 2016.

Research and development expenses, in gross value, were up 26% at €197.6 million, compared with €156.6 million in first-half 2016. In net value, i.e. after capitalization and rebilling to customers, expenditure amounted to €81 million, compared with €65.6 million in first-half 2016. This represents 2.3% of revenue.

Selling expenses totaled €29.9 million, or 0.9% of revenue, compared with €26.8 million or 1.0% of revenue in first-half 2016.

Administrative expenses totaled €142.9 million in first-half 2017, compared with €115.8 million in first-half 2016, i.e. 4.1% and 4.4% of revenue respectively.

Operating margin² posted an increase of 21.5% to reach €325.0 million, or 9.4% of consolidated revenue.

It includes the dilutive effect of the exterior systems business acquired in late July 2016. On a pro forma basis, combining these businesses at January 1, 2016, the operating margin of first-half 2016 would have been €284.9 million, or 8.9% of consolidated revenue.

In the automotive business, operating margin was €314.3 million during the first-half 2017, or **9.6% of consolidated revenue**, as compared to €255.3 million in first-half 2016 (10.3% of consolidated revenue) and €272.8 million pro forma (9.0% of pro forma consolidated revenue). This significant increase stems from manufacturing performance, which continues to improve, and from rationalization of our bumper business acquired in late July, which is proceeding according to plan: three plants were closed down (one bumper plant in Brazil, two front-end module plants in the United States) along with two paint lines in Germany. The organizations have been completely merged. These restructuring operations will continue in the second half-year.

² The financial aggregates are defined in the glossary

As to the Environment business, operating margin in the first-half 2017 was €10.6 million, or 6.3% of revenue, as compared to 6.5% in first-half 2016.

In first-half 2017 Plastic Omnium recognized €23.5 million in non-current expense (vs. €33 million in first-half 2016 - **other operating income and expense**): consisting of a negative €40.1 million in restructuring costs and a positive €16.6 million recognized in CICE (French tax credits) for 2014, 2015 and 2016.

Net financial income and expense was an expense of €31.8 million, representing 0.9% of first-half 2017 revenue, compared with 1.2% in first-half 2016 (an expense of €31.4 million).

Tax expense was €56.6 million, compared with €44.3 million in first-half 2016, i.e. an effective tax rate of 23.7%, compared with 24.5%.

Net income amounted to €213.0 million, or 6.2% of revenue, compared with 6.0% in first-half 2016. It was up 34.5%.

Net profit - Group share increased by 35.4% to €210.3 million, compared with €155.3 million in first-half 2016.

FINANCIAL POSITION AND CHANGE IN NET DEBT

Group **EBITDA** was up by 22.2% to €468.6 million (13.6% of consolidated revenue) and cash flow from operations was up by 19.6% to €415 million (12.0% of consolidated revenue).

Committed to a sustained capex program of €2.5 billion over the 2017-2021 period, the Group invested €207 million in first-half 2017, i.e. 6.0% of consolidated revenue. The San Luis Potosi, Mexico exterior body parts plant was put into operation. Four plants are under construction, due to start up in 2018: one in China, one in India and two in the United States, including the Greer, South Carolina pilot plant for the Group's Industry 4.0 program.

The Group generated **free cash flow**³ of €101 million in first-half 2017, representing 2.9% of its revenue.

In first-half 2017 Plastic Omnium paid €73 million in dividends and bought back €47 million of its own stock.

On March 31, 2017 in accordance with the decision of the European Commission, the Group also finalized the sale of the French operations of the exteriors systems acquired in 2016, at an enterprise value of €200 million. Moreover, Plastic Omnium sold, on June 30, 2017, its truck composites business, which had annual revenues of about €200 million in France, Mexico and China. This deal will be relative as of second-half 2017.

Net financial debt totaled €622 million, down €178 million from December 31, 2016. It now represents 39% of equity and 0.7x EBITDA.

RELATED PARTIES

Related parties as of June 30, 2017 are identical to those identified as of December 31, 2016, and transactions with them were also of a similar nature during the period under review.

OUTLOOK

Automobile manufacturing for the full 2017 year is expected to grow 1.5% to 2%. Based on that, Plastic Omnium will show strong revenue¹ growth, reaching €8 billion.

Earnings will show strong growth as well, with continued improvement to the balance sheet.

Confident in its order book, its market share gains and the success of its innovative products, the Plastic Omnium Group will have revenues¹ in excess of €10 billion in 2021, improve its profitability and generate significant free cash flow.

³ The financial aggregates are defined in the glossary

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 2016.

Glossary

- (1) Economic revenue equals consolidated revenue plus revenue from the Group's joint ventures at the percentage of their share in the Group: BPO, HBPO and YFPO for Plastic Omnium Automotive. The figure reflects the operational and managerial realities of the Group.
- (2) Consolidated revenue, in accordance with IFRS 10, 11 and 12, does not include the Company's share of the revenue of joint ventures, which are accounted for by the equity method.
- (3) Operating margin is operating income including the share of profit of entities accounted for by the equity method and the amortization of acquired intangible assets before other operating income and expenses.
- (4) EBITDA corresponds to the operating margin plus the share of profit of associates and joint ventures before depreciation 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 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, 2017

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 at June 30, 2017 relating to segment information, for operational management purposes the Group uses “economic revenue”, which corresponds to the consolidated revenue 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 of economic revenue with consolidated revenue:

In thousand of euros	First-half 2017	First-half 2016 ⁽¹⁾
Economic revenue for the historical scope	3,570,178	3,179,491
Economic revenue for the “Faurecia Exterior Systems” acquired scope	492,069	-
Economic revenue	4,062,247	3,179,491
<i>Including Sales from joint ventures at the Group’s percentage stake</i>	607,343	519,457
Consolidated revenue for the historical scope	2,962,835	2,660,034
Consolidated revenue for the “Faurecia Exterior Systems” acquired scope	492,069	-
CONSOLIDATED REVENUE	3,454,904	2,660,034

(1) This is the Group revenue published on June 30, 2016. The presentation with the Faurecia Exterior Systems business is provided in note 2.1.1.5.

BALANCE SHEET

In thousands of euros	Notes	June 30, 2017	December 31, 2016 adjusted (1)
ASSETS			
Goodwill	3.1.2 - 5.1.1	577,446	583,417
Other intangible assets	3.1.2	483,719	484,321
Property, plant and equipment	3.1.2	1,344,688	1,353,589
Investment property	3.1.2 - 5.1.2	93,263	93,263
Investments in associates and joint ventures	5.1.3	194,944	190,192
Available-for-sale financial assets – Equity interests	5.1.4.1	349	394
Other available-for-sale financial assets (2)	5.1.4.2 - 5.2.5.5	28,240	30,451
Other non-current financial assets (2)	5.1.5 - 5.2.5.5	58,738	54,449
Deferred tax assets (2)		136,392	144,318
TOTAL NON-CURRENT ASSETS		2,917,779	2,934,394
Inventories	3.1.2 - 5.1.6	448,683	388,665
Finance receivables (2)	5.1.7 - 5.2.5.5	23,367	33,918
Trade receivables	3.1.2 - 5.1.8.2 - 5.1.8.4 - 6.2.1	907,984	809,419
Other	3.1.2 - 5.1.8.3 - 5.1.8.4	395,117	347,160
Other financial assets and financial receivables (2)	5.1.7 - 5.2.5.5	44,640	62,388
Hedging instruments (2)	3.1.2 - 5.2.5.5 - 5.2.6	11,606	499
Cash and cash equivalents (2)	3.1.2 - 5.1.9.2 - 5.2.5.5	898,637	334,189
TOTAL CURRENT ASSETS		2,730,034	1,976,238
Assets held for sale	5.1.11	2,797	235,741
TOTAL ASSETS		5,650,610	5,146,373
EQUITY AND LIABILITIES			
Capital	5.2.1.1	9,149	9,149
Treasury stock		-106,943	-61,192
Additional paid-in capital		17,389	17,389
Consolidated reserves		1,409,820	1,202,579
Net income for the period		210,319	312,112
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		1,539,733	1,480,037
Attributable to non-controlling interests		24,617	23,674
TOTAL EQUITY		1,564,350	1,503,711
Non-current borrowings (2)	3.1.2 - 5.2.5.5	1,567,450	1,119,337
Provisions for pensions and other post-employment benefits	5.2.4	108,397	109,718
Provisions for liabilities and charges	5.2.4	57,319	61,472
Non-current government grants		11,027	12,420
Deferred tax liabilities		61,048	77,950
TOTAL NON-CURRENT LIABILITIES		1,805,241	1,380,897
Bank overdrafts (2)	3.1.2 - 5.1.9.2 - 5.2.5.5 - 6.3.1	9,762	10,307
Current borrowings (2)	3.1.2 - 5.2.5.5	103,692	168,320
Current debt (2)	3.1.2 - 5.2.5.5 - 6.3.1	7	5
Hedging instruments (2)	3.1.2 - 5.2.5.5 - 6.3.1	6,020	17,870
Provisions for liabilities and charges	5.2.4	49,289	71,112
Current government grants		-	-
Trade payables	5.2.7.1 - 5.2.7.3 - 6.3.1	1,323,728	1,229,049
Other operating liabilities	5.2.7.2 - 5.2.7.3	788,521	685,734
TOTAL CURRENT LIABILITIES		2,281,019	2,182,397
Liabilities related to assets held for sale	5.1.11	-	79,368
TOTAL EQUITY AND LIABILITIES		5,650,610	5,146,373

(1) In accordance with IFRS 3R, the balance sheet as at 31 December 2016 has been restated in respect of adjustments to the valuation of the 2016 acquisition of Faurecia Exterior Systems business (please refer to the notes 2.1.1.3.2 et 2.1.1.4). Please refer to the following table.

(2) Components of net debt. Net debt stands at €621.7 million at June 30, 2017 compared with €799.9 million at December 31, 2016 (see Notes 3.1.2 - 5.2.5.5).

ADJUSTED BALANCE SHEET AS AT DECEMBER 31, 2016

Hereafter, the detail of the adjustments related to the valuation of the 2016 acquisition of Faurecia Exterior Systems business.

In thousands of euros	December 31, 2016 published	Adjustments due to "Faurecia Exterior Systems" business acquisition	December 31, 2016 adjusted
ASSETS			
Goodwill	531,077	52,340	583,417
Other intangible assets	484,321		484,321
Property, plant and equipment	1,353,589		1,353,589
Investment property	93,263		93,263
Investments in associates and joint ventures	190,192		190,192
Available-for-sale financial assets – Equity interests	394		394
Other available-for-sale financial assets ⁽²⁾	30,451		30,451
Other non-current financial assets	54,449		54,449
Deferred tax assets	140,355	3,963	144,318
TOTAL NON-CURRENT ASSETS	2,878,091	56,303	2,934,394
Inventories	390,312	-1,647	388,665
Finance receivables	33,918		33,918
Trade receivables	809,624	-205	809,419
Other	347,160		347,160
Other financial assets and financial receivables	62,388		62,388
Hedging instruments	499		499
Cash and cash equivalents	334,189		334,189
TOTAL CURRENT ASSETS	1,978,090	-1,852	1,976,238
Assets held for sale	240,712	-4,971	235,741
TOTAL ASSETS	5,096,893	49,480	5,146,373
EQUITY AND LIABILITIES			
Capital	9,149		9,149
Treasury stock	-61,192		-61,192
Additional paid-in capital	17,389		17,389
Consolidated reserves	1,202,579	-	1,202,579
Net income for the period	312,112		312,112
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	1,480,037	-	1,480,037
Attributable to non-controlling interests	23,674		23,674
TOTAL EQUITY	1,503,711	-	1,503,711
Non-current borrowings	1,119,337		1,119,337
Provisions for pensions and other post-employment benefits	109,718		109,718
Provisions for liabilities and charges	45,365	16,107	61,472
Non-current government grants	12,420		12,420
Deferred tax liabilities	78,643	-693	77,950
TOTAL NON-CURRENT LIABILITIES	1,365,483	15,414	1,380,897
Bank overdrafts	10,307		10,307
Current borrowings	168,320		168,320
Current debt	5		5
Hedging instruments	17,870		17,870
Provisions for liabilities and charges	41,912	29,200	71,112
Current government grants	0		-
Trade payables	1,226,618	2,431	1,229,049
Other operating liabilities	683,299	2,435	685,734
TOTAL CURRENT LIABILITIES	2,148,331	34,066	2,182,397
Liabilities related to assets held for sale	79,368		79,368
TOTAL EQUITY AND LIABILITIES	5,096,893	49,480	5,146,373

INCOME STATEMENT

In thousands of euros	Notes	First-half 2017	%	First-half 2016	%
Consolidated sales (revenue)	3.1.1 - 3.1.4.1 - 3.1.4.2	3,454,904	100.0%	2,660,034	100.0%
Cost of goods and services sold	4.2	-2,894,135	-83.8%	-2,196,831	-82.6%
Gross profit		560,769	16.2%	463,203	17.4%
Net research and development costs	4.1 - 4.2	-81,013	-2.3%	-65,637	-2.5%
Selling costs	4.2	-29,906	-0.9%	-26,835	-1.0%
Administrative expenses	4.2	-142,949	-4.1%	-115,760	-4.4%
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures	3.1.1	306,901	8.9%	254,971	9.6%
Amortization of intangible assets acquired in business combinations ⁽¹⁾	3.1.1 - 4.3	-12,757	-0.4%	-9,382	-0.4%
Share of profit/loss of associates and joint ventures	3.1.1 - 4.4	30,817	0.9%	21,853	0.8%
Operating margin⁽²⁾	3.1.1	324,961	9.4%	267,442	10.1%
Other operating income	3.1.1 - 4.5	61,577	1.8%	12,078	0.5%
Other operating expenses	3.1.1 - 4.5	-85,069	-2.5%	-45,305	-1.7%
Finance costs, net	3.1.1 - 4.6	-31,099	-0.9%	-25,754	-1.0%
Other financial income and expenses, net	3.1.1 - 4.6	-726	-0.0%	-5,687	-0.2%
Profit from continuing operations before income tax and after share of profits of associates and joint ventures	3.1.1	269,645	7.8%	202,774	7.6%
Income tax	3.1.1 - 4.7	-56,602	-1.6%	-44,327	-1.7%
Net income	3.1.1	213,043	6.2%	158,447	6.0%
Net profit attributable to non-controlling interests	4.8	2,724	0.1%	3,132	0.1%
Net profit attributable to owners of the parent		210,319	6.1%	155,315	5.8%
Earnings per share attributable to owners of the parent company	4.9				
Basic earnings per share (in euros) ⁽³⁾		1.42		1.05	
Diluted earnings per share (in euros) ⁽⁴⁾		1.41		1.04	

(1) Intangible assets acquired in business combinations, mainly contractual customer relationships

(2) As of January 1, 2016, the CVAE ("Cotisation sur la valeur ajoutée"), a component of French business tax is shown at the level of income taxes and no longer in the operating gross margin.

(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 2017			First-half 2016		
	Total	Gross	Tax	Total	Gross	Tax
Net profit for the period attributable to owners of the parent⁽¹⁾	210,319	265,941	-55,622	155,315	198,924	-43,609
Reclassified to the income statement	-35,216	-35,269	53	-11,305	-11,265	-40
Reclassified in the period	4,749	4,891	-142	272	411	-139
Exchange differences on translating foreign operations - reclassified to the income statement	4,478	4,478	-	-	-	-
Cash flow hedges - Interest rate instruments reclassified to the income statement	271	413	-142	272	411	-139
Reclassified at a later date	-39,965	-40,160	195	-11,577	-11,676	99
Exchange differences on translating foreign operations	-39,594	-39,594	-	-11,383	-11,383	-
Cash flow hedges	-371	-566	195	-194	-293	99
Gains/(losses) for the period - Interest rate instruments	-	-	-	-	-	-
Gains/(losses) for the period - Exchange rate instruments	-371	-566	195	-194	-293	99
Cannot be reclassified to the income statement at a later date	-381	654	-1,035	-6,909	-9,239	2,330
Actuarial gains/(losses) recognized in equity	906	1,941	-1,035	-6,909	-9,239	2,330
Fair Value adjustment to available-for-sale assets	-1,287	-1,287	-	-	-	-
Other comprehensive income	-35,597	-34,615	-982	-18,214	-20,504	2,290
Comprehensive income attributable to owners of the parent⁽²⁾	174,722	231,326	-56,604	137,101	178,420	-41,319
Net profit for the period attributable to non-controlling interests	2,724	3,704	-980	3,132	3,849	-717
Reclassified to the income statement	-1,331	-1,331	-	-245	-245	-
Reclassified in the period	-	-	-	-	-	-
Exchange differences on translating foreign operations - reclassified to the income statement	-	-	-	-	-	-
Reclassified at a later date	-1,331	-1,331	-	-245	-245	-
Exchange differences on translating foreign operations	-1,331	-1,331	-	-245	-245	-
Cannot be reclassified to the income statement at a later date	-	-	-	-	-	-
Actuarial gains/(losses) recognized in equity	-	-	-	-	-	-
Other comprehensive income	-1,331	-1,331	-	-245	-245	-
Comprehensive income attributable to non-controlling interests	1,393	2,373	-980	2,887	3,604	-717
Total comprehensive income	176,115	233,699	-57,584	139,988	182,024	-42,036

(1) Net profit for the period attributable to owners of the parent amounted to €124,130 thousand at June 30, 2017 compared with €91,092 thousand at June 30, 2016.

(2) Total net profit attributable to owners of the parent amounted to €103,121 thousand at June 30, 2017 compared with €80,410 thousand at June 30, 2016.

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
Equity at December 31, 2015	153,577	9,215	38,637	-52,502	984,820	(1)	28,154	258,374	1,266,497	20,822	1,287,319
Appropriation of net profit at December 31, 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
Exchange differences on translating foreign operations	-	-	-	-	-	-	-11,383	-	-11,383	-245	-11,628
Actuarial gains/(losses) recognized in equity	-	-	-	-	-6,909	-	-	-	-6,909	-	-6,909
Cash flow hedges - Interest rate instruments	-	-	-	-	272	-	-	-	272	-	272
Cash flow hedges - currency instruments	-	-	-	-	-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)	-1,100	-66	-	-	-	-	-	-	-66	-	-66
Change in scope of consolidation and reserves (2)	-	-	-	-	-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
Equity at June 30, 2016	152,477	9,149	17,389	-56,273	1,167,691	(1)	16,771	155,315	1,310,040	22,221	1,332,261
Second-half 2016 net profit	-	-	-	-	-	-	-	156,797	156,797	3,044	159,841
Other comprehensive income	-	-	-	-	-1,703	-	17,469	-	15,766	858	16,624
Exchange differences on translating foreign operations	-	-	-	-	-1,546	-	17,469	-	15,923	858	16,781
Actuarial gains/(losses) recognized in equity	-	-	-	-	-1,540	-	-	-	-1,540	-	-1,540
Cash flow hedges - Interest rate instruments	-	-	-	-	268	-	-	-	268	-	268
Cash flow hedges - currency instruments	-	-	-	-	71	-	-	-	71	-	71
Change in the fair value adjustment of Other available-for-sale Financial assets	-	-	-	-	1,044	-	-	-	1,044	-	1,044
Comprehensive income	-	-	-	-	-1,703	-	17,469	156,797	172,563	3,902	176,465
Treasury stock transactions	-	-	-	-4,919	765	-	-	-	-4,154	-	-4,154
Tax effect of treasury stock transactions	-	-	-	-	-	-	-	-	-	-	-
Change in scope of consolidation and reserves (2)	-	-	-	-	-	-	-	-	-	-	-
Dividends paid by other Group companies	-	-	-	-	-2	-	-	-	-2	-2,449	-2,451
Stock option costs	-	-	-	-	1,589	-	-	-	1,589	-	1,589
Equity at December 31, 2016	152,477	9,149	17,389	-61,192	1,168,339	(1)	34,240	312,112	1,480,037	23,674	1,503,711
Appropriation of net profit at December 31, 2016	-	-	-	-	312,112	-	-	-312,112	-	-	-
First-half 2017 net profit	-	-	-	-	-	-	-	210,319	210,319	2,724	213,043
Other comprehensive income	-	-	-	-	3,997	-	-39,594	-	-35,597	-1,331	-36,928
Exchange differences on translating foreign operations	-	-	-	-	4,478	-	-39,594	-	-35,116	-1,331	-36,447
Actuarial gains/(losses) recognized in equity	-	-	-	-	906	-	-	-	906	-	906
Cash flow hedges - Interest rate instruments	-	-	-	-	271	-	-	-	271	-	271
Cash flow hedges - Currency instruments	-	-	-	-	-371	-	-	-	-371	-	-371
Change in the fair value adjustment of Other available-for-sale Financial assets	-	-	-	-	-1,287	-	-	-	-1,287	-	-1,287
Comprehensive income	-	-	-	-	316,109	-	-39,594	-101,793	174,722	1,393	176,115
Treasury stock transactions	-	-	-	-45,751	923	-	-	-	-44,828	-	-44,828
Capital reduction (cancellation of treasury stock)	-	-	-	-	-	-	-	-	-	-	-
Change in scope of consolidation and reserves (2)	-	-	-	-	-	-	-	-	-	-	-
Dividends paid by Compagnie Plastic Omnium	-	-	-	-	-72,272	-	-	-	-72,272	-	-72,272
Dividends paid by other Group companies	-	-	-	-	-	-	-	-	-	-451	-451
Stock option costs	-	-	-	-	2,074	-	-	-	2,074	-	2,074
Equity at June 30, 2017	152,477	9,149	17,389	-106,943	1,415,174	(1)	-5,354	210,319	1,539,733	24,617	1,564,350

(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 per share distributed in the first of half 2017 by Compagnie Plastic Omnium in respect of the 2016 fiscal year is €0.49 compared with €0.41 in 2016 in respect of 2015 fiscal year (see Note 5.2.2 on dividends voted and paid).

STATEMENT OF CASH FLOWS

In thousands of euros	Notes	First-half 2017	2016	First-half 2016
I - CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	3.1.1	213,043	318,288	158,447
Dividends received from associates and joint ventures		17,533	31,409	21,201
Non-cash items		184,445	382,890	167,711
Share of profit/(loss) of associates and joint ventures	4.4	-30,817	-51,801	-21,853
Stock option plan expense	5.2.3	2,074	3,498	1,909
Other adjustments		-15,068	6,117	-3,123
Depreciation and provisions for impairment of fixed assets	3.1.3	80,787	170,756	68,576
Depreciation and provisions for impairment of intangible assets	3.1.3	62,318	109,094	47,058
Changes in provisions		-22,389	-9,476	5,698
Net (gains)/losses on disposals of non-current assets	4.5	22,831	14,786	1,923
Proceeds from operating grants recognized in the income statement		-1,370	-1,727	-868
Current and deferred taxes	4.7.1	56,580	86,307	44,327
Interest expense		29,499	55,336	24,064
NET OPERATING CASH GENERATED BY OPERATIONS BEFORE IMPACT OF FINANCIAL EXPENSES AND INCOME TAX CASH PAYMENTS (A)		415,021	732,587	347,359
Change in inventories and work-in-progress - net		-72,396	44,913	-13,971
Change in trade receivables - net		-161,345	-155,278	-146,741
Change in trade payables		202,951	190,773	149,571
Change in other operating assets and liabilities - net		25,635	-20,235	6,376
CHANGE IN WORKING CAPITAL REQUIREMENTS (B)		-5,155	60,173	-4,765
TAXES PAID ©		-67,265	-97,271	-50,355
Interest paid		-36,417	-55,486	-28,295
Interest received		1,458	2,783	1,380
NET FINANCIAL INTEREST PAID (D)		-34,959	-52,703	-26,915
NET CASH GENERATED BY OPERATING ACTIVITIES (A+B+C+D)		307,642	642,786	265,324
II - CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment	3.1.3	-144,153	-220,712	-81,477
Acquisitions of intangible assets	3.1.3	-82,729	-151,120	-68,941
Disposals of property, plant and equipment	4.5 a	11,806	4,852	4,015
Disposals of intangible assets	4.5 a	1,326	4	-
Net change in advances to suppliers of fixed assets		6,863	-35,313	-27,269
Government grants received		215	210	-15
NET CASH USED IN OPERATIONS-RELATED INVESTING ACTIVITIES (E)		-206,672	-402,079	-173,687
FREE CASH FLOW (A + B + C + D + E)⁽⁴⁾		100,970	240,707	91,637
Acquisitions of shares in subsidiaries and associates, investments in associates and joint ventures, and related investments		-	-527,580	-3,325
Acquisitions of available-for-sale financial assets		-34,013	-29,124	-
Proceeds from disposals of shares in subsidiaries and associates	4.5 a	10,755	15,638	-
Disposal of Available-for-sale financial assets	4.5 a - 5.1.7	195,485	-	-
Impact of changes in scope of consolidation - Cash and cash equivalents contributed by companies entering the scope of consolidation	2.1.1.4	63	9,480	-
Impact of changes in scope of consolidation - Cash and cash equivalents from companies leaving the scope of consolidation	2.3	-5,519	-830	-
Impact of changes in scope of consolidation - Borrowings contributed by companies entering the scope of consolidation	2.1.1.4	-	-157,124	-
NET CASH FROM FINANCIAL INVESTING ACTIVITIES (F)		166,772	-689,540	-3,325
NET CASH FROM INVESTING ACTIVITIES (E+F)		-39,900	-1,091,619	-177,012
III - CASH FLOWS FROM FINANCING ACTIVITIES				
Increases/reductions in share capital and premiums		-	-66	-66
Purchases/sales of treasury stock		-44,827	-37,232	-33,078
Dividends paid to Burelle SA ⁽²⁾		-42,592	-35,638	-35,638
Dividends paid to other shareholders ⁽³⁾		-30,131	-27,323	-24,874
Acquisitions of non-controlling interests	2.1.2	-	-3,300	-
Increase in financial debt		485,884	362,385	296,375
Repayment of borrowings		-60,805	-126,410	-108,587
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES (G)		307,529	132,416	94,132
Assets held for sale (and discontinued operations) (H)	5.1.11	-	-5,756	-
Effect of exchange rate changes (I)		-10,279	-1,210	-5,373
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E + F + G + H)		564,992	-323,383	177,071
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5.1.9.2	323,882	647,265	647,265
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5.1.9.2 - 5.2.5.5	888,875	323,882	824,336

(1) The "free cash flow" is an essential notion specific to the Plastic Omnium Group. It is used in all of the Group's external financial communication 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) During the first semester, the dividend paid to other shareholders amounted to €29,691 thousand (compared with €24,874 thousand at first half of 2016) was paid by Compagnie Plastic Omnium, bringing the total dividends paid by Compagnie Plastic Omnium to €72,273 thousand (compared with €60,512 thousand in 2016). 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, 2017 were approved by the Board of Directors on July, 20, 2017.

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 95.1% of its consolidated revenue (95.9% of its economic revenue) and for local authorities (waste collection containers and highway signage) for the remainder of its 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 (59.02% excluding treasury stock) at June 30, 2017.

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

For the opening balance sheet of the 2017 fiscal year, the consolidated financial statements published as at December 31, 2016 will be identified as "**published**". The notion of "**adjusted**" refers only to the notes impacted by the adjustments due to the valuation of the acquisition in 2016 of the "Faurecia Exterior Systems" business, in accordance with IFRS 3R.

1. ACCOUNTING POLICIES, ACCOUNTING RULES AND PRINCIPLES

1.1. Basis of preparation

The condensed consolidated financial statements for the six months ended June 30, 2017 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, 2016.

The accounting policies applied to prepare these condensed interim consolidated financial statements are the same as those used at December 31, 2016, as described in Note 1 "Basis of Preparation" to the 2016 consolidated financial statements, except for those affected by the new standards and the amendments mandatory from January 1, 2017.

The impact of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from Contracts with Customers", applicable from January 1, 2018, is currently being analyzed by the Group.

Concerning IFRS 9, at this stage, no significant impact was identified.

Concerning IFRS 15, the expected impacts relate to the recognition of revenues from the provision of services and the realization of tools in connection with automobile projects. They primarily concern the following points:

- Identification and classification as inventories of the costs incurred in respect of performance obligations; performance obligations identified by the Group are the design of parts and specific tooling, control of which is transferred to customers; income from these performance obligations is recorded in net income when control is transferred, i.e. when they are validated by the customer.

- Other project costs are recorded separately in assets and amortized over the term of the contracts; the resulting revenue is recognized in net income at the same rate.

In respect of the transition, at this stage the Group is considering to apply the simplified retrospective method, with a restatement in equity at January 1, 2018 without restating fiscal year 2017.

The impact of the presentation in the balance sheet of project costs is under analysis; it will depend on the portfolio of contracts, progress and profitability of the projects at January 1, 2018.

IFRS 16 “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.

The Group did not opt for early application of standards, interpretations and amendments not mandatory at January 1, 2017.

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**

Changes in interest rates over the first half of 2017 led the Group to reassess its social commitments in the Euro and US zones. The rates used as of June 30, 2017 are 1.5% for the euro area (1.25% at December 31, 2016) and 4% for the United States (4.25% at December 31, 2016). Rates elsewhere in the world were unchanged from December 31, 2016.

Post-employment benefit obligations for the period are considered to represent one half of the net obligation calculated for 2017 based on actuarial estimates and assumptions applied at December 31, 2016, 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, 2017.

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, 2017, 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. Acquisitions:

2.1.1. Follow-up of the acquisition of the “Exterior Systems” business of the Faurecia Group made on July 29, 2016

2.1.1.1. Updated information on the acquisition

Eleven months after the inclusion of the definitively acquired Faurecia bumper business, the Plastic Omnium Group is continuing the fair value valuation of the assets and liabilities acquired with a target date of July 29, 2017.

Furthermore, during the first -half of 2017, the Group disposed of sites classified as “Assets and Liabilities held for sale” at December 31, 2016.

2.1.1.2. Update on the acquisition price

The price adjustment clause set out in the acquisition contract has been activated by the Group. Discussions with the Faurecia Group are ongoing. Given that the two parties have not yet reached an agreement on the price revision, for the financial statements as at June 30, 2017, no price adjustment was applied. The acquisition price is expected to be finalized in the second half of 2017.

2.1.1.3. Recognition of the acquisition in Plastic Omnium Group financial statements

2.1.1.3.1. Disposal of businesses classified under “Assets and Liabilities held for sale” at December 31, 2016

Operations shown under “Assets and Liabilities held for sale” (see Note 5.1.11) at December 31, 2016 due to the divestment commitment taken by the Group following the European Commission’s decision were disposed of (enterprise value of €200 million) on March 31, 2017 to the American Group Flex-N-Gate.

The financial impacts of this disposal were recognized in the opening balance sheet.

2.1.1.3.2. Follow-up of the purchase price allocation of the “Faurecia Exterior Systems” business acquisition cost retained by the Group

During the first-half of 2017, the Group continued the identification and valuation of assets acquired and liabilities taken over, and this will continue until July 29, 2017.

For this acquisition recognized in accordance with IFRS 3R “Business combinations”, the opening balance sheet will be finalized on July 29, 2017 or within 12 months of the acquisition date.

Changes compared to the values initially allocated are recognized retrospectively at the acquisition date with an impact on the goodwill amount and the balance sheet at December 31, 2016.

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Additional adjustments made during the first -half of 2017 to the opening balance sheet relate mainly to:

- provisions for risks, expenses, other contingent liabilities and other risks;
- provisions for loss-making contracts.

A summary of assets acquired, liabilities taken over and changes made since the last year-end is presented below:

Provisional appropriation of the "Faurecia Exterior Systems" business acquisition cost				
<i>In thousands of euros</i>	Plastic Omnium Group subsidiaries and associates	Goodwill	Entities covered by IFRS 5 "Assets and Liabilities held for sale" ⁽¹⁾	Total Plastic Omnium Group
Appropriation of the acquisition cost at December 31, 2016	88,075	260,955	162,000	511,030 ⁽³⁾
Adjustments and / or transactions carried out during the first half of 2017				
<i>Equity acquired</i>				
<i>Impairment of intangible assets and property, plant and equipment (of which: paint lines)</i>				
<i>Provisions for risks, expenses, contingent liabilities and other risks</i>	-8,307			
<i>Provisions for loss-making contracts</i>	-36,999			
<i>Other</i>	-6,514			
<i>Contractual customer relationships</i>	-205			
<i>Deferred taxes</i>	4,656			
<i>Additional Goodwill due to 1st semester 2017 adjustments</i>		52,340		
<i>Adjustment of Available-for-sale net assets</i>			-4,971	
Total of 1st semester 2017 purchase price allocation	-47,369	52,340	-4,971	
Purchase price allocation detail as of June 30, 2017				
<i>Equity acquired (after adjustments)</i>	40,706			40,706
<i>Goodwill</i>		313,295 ⁽²⁾		313,295
<i>Available-for-sale net assets</i>			157,029	157,029
Appropriation of acquisition cost as of June 30, 2017	40,706	313,295	157,029	511,030 ⁽³⁾

(1) Assets concerned by the disposal commitment demanded of the Plastic Omnium Group by the European Commission. These assets are measured at fair value, corresponding to the sale price estimated on the basis of the firm acquisition offer received from Flex-N-Gate. The effective sale on 31 March 2017 to Flex-N-Gate was made on the basis of € 157,029 thousand.

(2) At June 30, 2017, the total amount of goodwill includes \$57.9 million (€50.7 million) of deductible goodwill.

(3) See Note 2.1.1.2 on the acquisition cost.

2.1.1.4. Opening balance sheet of Faurecia's Exterior Systems business

The provisional opening balance sheet, after recognition of the provisional adjustments referred to in Note 2.1.1.3 "Recognition of the acquisition in Plastic Omnium Group financial statements", for the portion integrated into the Group, is shown below. Pursuant to IFRS 3R, this balance sheet will be finalized on July 29, 2017, or within 12 months of the acquisition date:

In thousands of euros	July 29, 2016		
	Opening balance sheet At December 31, 2016 published	Opening balance sheet Additional adjustments during the 1st semester 2017	Opening balance sheet At June 30, 2017
ASSETS			
Goodwill ⁽¹⁾	260,955	52,340	313,295
Other intangible assets	64,361	-	64,361
Property, plant and equipment	189,713	-	189,713
Available-for-sale financial assets	734	-	734
Deferred tax assets	58,485	3,963	62,448
TOTAL NON-CURRENT ASSETS	574,248	56,303	630,551
Inventories	102,352	-1,647	100,705
Trade receivables	133,504	-205	133,299
Other receivables	10,824	-	10,824
Other financial assets and financial receivables	-	-	-
Cash and cash equivalents	9,480	-	9,480
TOTAL CURRENT ASSETS	256,160	-1,852	254,308
Assets held for sale	162,000	-4,971	157,029
TOTAL ASSETS	992,408	49,480	1,041,888
EQUITY AND LIABILITIES			
Consolidated reserves	511,030	-	511,030
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	511,030	-	511,030
Attributable to non-controlling interests	-	-	-
TOTAL EQUITY	511,030	-	511,030
Non-current and current borrowings	16,588	-	16,588
Provisions for pensions and other post-employment benefits	852	-	852
Provisions for liabilities and charges	38,729	16,107	54,836
Current government grants	101	-	101
Deferred tax liabilities	25,692	-693	24,999
TOTAL NON-CURRENT LIABILITIES	81,962	15,414	97,376
Non-current and current borrowings	137,797	-	137,797
Other current debt	3,473	-	3,473
Provisions for liabilities and charges	12,239	29,200	41,439
Trade payables	146,527	2,431	148,958
Other operating liabilities	99,380	2,435	101,815
TOTAL CURRENT LIABILITIES	399,416	34,066	433,482
Liabilities related to assets held for sale	-	-	-
TOTAL EQUITY AND LIABILITIES	992,408	49,480	1,041,888
Gross debt	-157,124	-	-157,124
Net cash and cash equivalents	9,480	-	9,480
Net debt	-147,644	-	-147,644

(1) Provisional goodwill represents, in particular, anticipated industrial synergies and profits expected from new relationships with Audi, Mercedes and Ford or from strengthened ties with Volkswagen, Seat, PSA, BMW and Fiat Chrysler Automobiles.

2.1.1.5. Contribution of the “Exterior Systems” business acquired to Plastic Omnium Group revenue

The revenue of the first-half of 2016 includes the “Faurecia Exterior Systems” business as if it had been acquired on January 1, 2016.

First-half 2017 Consolidated financial statements								
In thousands of euros	Plastic Omnium Group not including “Faurecia Exterior Systems Business”		% of Plastic Omnium Group consolidated revenue	“Faurecia Exterior Systems Business”		% of Plastic Omnium Group consolidated revenue	Plastic Omnium Group Consolidated Total	
	Totals	%		Totals	%		Totals	%
Consolidated revenue	2,962,835	100.0%	85.8%	492,069	100.0%	14.2%	3,454,904	100.0%

First-half 2016 with inclusion of “Faurecia Exterior Systems Business”								
In thousands of euros	Plastic Omnium Group not including “Faurecia Exterior Systems Business”		% of Plastic Omnium Group restated revenue	“Faurecia Exterior Systems Business”		% of Plastic Omnium Group restated revenue	Total Plastic Omnium Group restated revenue	
	Totals	%		Totals	%		Totals	%
Restated revenue	2,660,034	100.0%	82.9%	549,100	100.0%	17.1%	3,209,134	100.0%

2.1.2. Acquisition in China of “Changchun Huaxiang Automotive Plastic Parts Manufacturing Co Ltd”

On April 27, 2017, the Chinese company “Yanfeng Plastic Omnium Automotive Exterior Systems Co. Ltd” (YFPO), 49.95%-owned by Compagnie Plastic Omnium, signed a contract for the acquisition, as part of a 50% joint-venture with “Ningbo Huazhong Plastic Products Co. Ltd”, of “Changchun Huaxiang Faurecia Plastic Parts Manufacturing Co. Ltd” for a total of 29,900 thousand renminbi (or €4,018 thousand at June 30, 2017). This company manufactures external Automotive components and is part of the Auto Exterior Division of the Automotive Division.

The company was renamed as “Changchun Huazhong Yanfeng Plastic Omnium Automotive Exteriors Co. Ltd”.

This company is fully consolidated in YFPO’s accounts.

2.2. Investments and Site Openings:

2.2.1. Investments in production capacity: plants in Greer and in Smyrna in the United States

The Group launched the construction of two plants in the United States expected to be commissioned at the end of first-half of 2018.

The Greer plant in South Carolina in the United States:

In the first-half of 2017, the Group started the construction of the Greer plant in South Carolina in the United States. Part of the Auto Exterior Division of the Automotive segment, it aims to deliver all major exterior body parts of the carmaker of BMW X3, X4, X5, X6 and future models of the BMW plant. It will also supply the Volvo carmaker in South Carolina and the Daimler carmaker in Alabama.

The plant in Greer is the 1st plant in the history of the Group (pilot plant) that will use “4.0” technology. It will lead to further improvements in industrial processes, parts quality, robotization, standardization and competitiveness.

At June 30, 2017, investments stood at €28.0 million (USD 30.3 million).

Smyrna plant in Tennessee in the United States:

Furthermore, in the first-half of 2017, the Group started the construction of the Smyrna plant for Nissan in Tennessee in the United States for the “Fuel systems” Division of the Automotive segment. It will produce fuel systems for the Japanese carmaker.

At June 30, 2017, investments stood at €0.7 million (USD 0.8 million).

2.2.2. Monitoring of the planned opening of the innovation and high-tech operations center: Δ-Deltatech

The project relating to the construction of an innovation and high-tech operations center for new energies, Δ-Deltatech, in Brussels, Belgium launched by the Group in the second-half of 2016, whose opening is planned at the beginning of 2019, is ongoing. The plant will employ approximately two hundred engineers.

At June 30, 2017, investments amount to €2.3 million.

2.3. Disposals of entities, real estate assets and site closures:

2.3.1. Disposal of Truck business

On June 30, 2017, Plastic Omnium sold its composite parts business for trucks to the German group mutares AG. This activity for the design and manufacture of bodywork and structural parts for the truck industry, which employs 1,500 people, generated turnover of approximately € 200 million in 2016 in 9 production sites (5 in France, 1 in Germany, 1 in Mexico and 2 in China).

The disposal was recognized in the period (see notes 4.5 “Other operating income and expenses” and 5.1.11 “Assets and Liabilities held for sale”).

The Group’s income statement includes the result of the truck business entities up to the effective date of transfer, that is until 30 June 2017.

2.3.2. Disposal of the “Sulo Emballagen GmbH” industrial and office buildings in Herford, Germany

In connection with the disposal of “Sulo Emballagen GmbH” on September 30, 2016, Compagnie Plastic Omnium also sold, on January 10, 2017, its building complex (administrative and industrial buildings) in Herford, Germany for €1,150 thousand.

As at December 31, 2016, this building was classified as “Assets and Liabilities held for sale” (see Note 5.1.11).

The transaction resulted in a net loss of -€4,398 thousand, provisioned in the financial statements as at December 31, 2016 (see Note 4.5 on “Other operating income and expenses”).

2.4. Financing activities:

2.4.1. New bond issue on June 19, 2017 and availability on June, 26, 2017

On June 19, 2017, Compagnie Plastic Omnium carried out the placement of a new bond issue of €500 million with European investors. This bond issue was carried out without covenant or rating.

The features of this bond issue are described in Note 5.2.5.2 “Borrowings: private placement notes and bonds”.

2.4.2. Repayment of the fixed portion of the 2012 “Schuldschein” private placement

On June 27, 2017, the Group repaid on expiry, as planned, the €45 million fixed portion of the “Schuldschein” private placement with private investors in France and abroad (See Note 5.2.5.2 “Borrowings: private placement notes and bonds”).

2.5. Implementation in the Group of the “Tax credit for employment and competitiveness (CICE)” for French companies:

During the first-half of 2017, the Group’s French entities exercised their right to the tax credit for employment and competitiveness (CICE). Its purpose is to reduce the impact of social security contributions and it is recorded as a reduction in employee benefits expenses. The impact in the first-half of 2017 amounted to 3,070 thousand euros.

However, for the amounts relating to previous years (2014 to 2016, i.e. 16,583 thousand euros), the CICE is recorded in Other operating income.

The Notes affected are: 4.2 “Cost of sales, development, selling and administrative costs”, 4.5 “Other operating income and expenses”, 4.7 “Income tax” and 5.2.7.2 “Other operating liabilities”.

3. SEGMENT INFORMATION

3.1. Information by operating segment

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

For operational management purposes the Group uses “economic revenue”, which corresponds to the consolidated revenue 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.

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

In thousands of euros	First-half 2017			
	Automotive	Environment	Unallocated items ⁽³⁾	Total
Economic sales (revenue) ⁽¹⁾	3,894,221	168,026	-	4,062,247
<i>Including Sales from joint ventures at the Group's percentage stake</i>	607,343	-	-	607,343
Sales to third parties	3,286,911	168,077	-84	3,454,904
Sales between segments	-33	-51	84	-
Consolidated sales (revenue)	3,286,878	168,026	-	3,454,904
<i>% of segment revenue - Total</i>	95.1%	4.9%	-	100.0%
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures	296,288	10,613	-	306,901
<i>% of segment revenue</i>	9.0%	6.3%	-	8.9%
Amortization of intangible assets acquired in business combinations	-12,757	-	-	-12,757
Share of profit/(loss) of associates and joint ventures	30,817	-	-	30,817
Operating margin⁽²⁾	314,348	10,613	-	324,961
<i>% of segment revenue</i>	9.6%	6.3%	-	9.4%
Other operating income	41,779	19,798	-	61,577
Other operating expenses	-63,175	-21,894	-	-85,069
<i>% of segment revenue</i>	-0.7%	-1.2%	-	-0.7%
Finance costs, net				-31,098
Other financial income and expenses, net				-725
Profit from continuing operations before income tax and after share in associates and joint ventures				269,646
Income tax				-56,602
Net income				213,044

In thousands of euros	First-half 2016			
	Automotive	Environment	Unallocated items ⁽³⁾	Total
Economic sales (revenue) ⁽¹⁾	2,992,830	186,661	-	3,179,491
<i>Including Sales from joint ventures at the Group's percentage stake</i>	519,457	-	-	519,457
Sales to third parties	2,473,412	186,695	-73	2,660,034
Sales between segments	-39	-34	73	-
Consolidated sales (revenue)	2,473,373	186,661	-	2,660,034
<i>% of segment revenue - Total</i>	93.0%	7.0%	-	100.0%
Operating margin before amortization of intangible assets acquired in business combinations and before share of profit of associates and joint ventures	242,910	12,061	-	254,971
<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
Operating margin⁽²⁾	255,381	12,061	-	267,442
<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
Profit from continuing operations before income tax and after share in associates and joint ventures				202,774
Income tax				-44,327
Net income				158,447

- (1) Economic sales correspond to the sales of the Group and its joint ventures consolidated at their percentage of ownership.
- (2) As of January 1, 2016, the CVAE ("Cotisation sur la valeur ajoutée"), a component of French business tax is shown at the level of income taxes and no longer in the gross margin/operating margin. The 2015 figures remain unchanged.
- (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

June 30, 2017					
In thousands of euros	Automotive		Environment	Unallocated items	Total
Net amounts					
Goodwill		478,913	98,533	-	577,446
Intangible assets		461,910	11,937	9,872	483,719
Property, plant and equipment		1,244,277	52,603	47,808	1,344,688
Investment property		-	-	93,263	93,263
Inventories		410,921	37,762	-	448,683
Trade receivables		847,380	50,388	10,216	907,984
Other		321,470	12,919	60,728	395,117
Finance receivables (C) ⁽¹⁾		52,078	2,390	-	54,468
Current accounts and other financial assets (D)		-689,620	-9,551	771,448	72,277
Available-for-sale financial assets - FMEA 2 (F)		-	-	28,240	28,240
Hedging instruments (E)		195	591	10,820	11,606
Net cash and cash equivalents (A) ⁽²⁾		174,988	6,057	707,830	888,875
Total segment assets		3,302,512	263,629	1,740,225	5,306,366
Borrowings (B)		101,657	1,099	1,574,413	1,677,169
Segment liabilities		101,657	1,099	1,574,413	1,677,169
Segment net debt = (B - A - C - D - E - F) ⁽³⁾		564,016	1,612	56,075	621,703
December 31, 2016 adjusted					
	Automotive		Environment	Unallocated items	Total
	Automotive Adjustments	December 31, 2016 published on Automotive			Adjusted
Goodwill	52,340	432,520	98,557	-	583,417
Intangible assets		461,842	12,749	9,730	484,321
Property, plant and equipment		1,251,537	55,129	46,923	1,353,589
Investment property		-	-	93,263	93,263
Inventories	-1,647	352,609	37,703	-	388,665
Trade receivables	-205	765,681	42,066	1,877	809,419
Other		301,935	10,614	34,611	347,160
Finance receivables (C) ⁽¹⁾		59,915	2,636	-	62,551
Current accounts and other financial assets (D)		-663,931	-6,150	758,285	88,204
Available-for-sale financial assets - FMEA 2 (F)		-	-	30,451	30,451
Hedging instruments (E)		139	461	-101	499
Net cash and cash equivalents (A) ⁽²⁾		137,334	8,803	177,745	323,882
Total segment assets	50,488	3,099,581	262,568	1,152,784	4,565,421
Borrowings (B)		128,802	1,392	1,175,338	1,305,532
Segment liabilities	-	128,802	1,392	1,175,338	1,305,532
Segment net debt = (B - A - C - D - E - F) ⁽³⁾	-	595,345	-4,358	208,958	799,945

(1) At June 30, 2017, "Finance receivables" included €31,101 thousand reported in the balance sheet under "Other non-current financial assets" against €28,633 thousand at December 31, 2016, and €23,367 thousand reported under "Finance receivables - current portion" against €33,918 thousand at December 31, 2016.

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

(3) See Notes 5.2.5.1 "Net debt indicator used by the Group" and Note 5.2.5.5 "Reconciliation of gross and net debt".

3.1.3. Other information by operating segment

First-half 2017 In thousands of euros	Automotive	Environment	Unallocated items	Total
Acquisitions of intangible assets	81,288	418	1,023	82,729
Capital expenditure including acquisitions of investment property	135,908	5,590	2,655	144,153
Depreciation and amortization expense ⁽¹⁾	-149,524	-7,348	13,767	-143,105

First-half 2016 In thousands of euros	Automotive	Environment	Unallocated items	Total
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 ⁽¹⁾	-104,845	-7,708	-3,081	-115,634

- (1) This item corresponds to depreciation, amortization and impairments of property, plant and equipment and intangible assets, including the amortization of intangible assets (primarily contractual customer relationships and, to a lesser extent, brands) 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

First-half 2017		
In thousands of euros	Totals	%
France	428,920	10.6%
North America	1,048,012	25.8%
Europe excluding France	1,767,293	43.5%
South America	129,107	3.2%
Africa	38,791	1.0%
Asia	650,124	15.9%
Economic revenue	4,062,247	100%
<i>Including Revenue from joint ventures at the Group's percentage stake</i>	607,343	
Consolidated revenue	3,454,904	

First-half 2016		
In thousands of euros	Totals	%
France	411,219	12.9%
North America	832,302	26.2%
Europe excluding France	1,296,974	40.8%
South America	75,532	2.4%
Africa	34,739	1.1%
Asia	528,725	16.6%
Economic revenue	3,179,491	100%
<i>Including Revenue from joint ventures at the Group's percentage stake</i>	519,457	
Consolidated revenue	2,660,034	

3.1.4.2. Information for the first ten contributing countries

First-half 2017		
In thousands of euros	Totals	%
United States	711,629	17.5%
Germany	667,661	16.4%
France	428,920	10.6%
Spain	389,467	9.6%
China	337,872	8.3%
Mexico	294,634	7.3%
United Kingdom	251,744	6.2%
South Korea	148,557	3.7%
Slovakia	121,944	3.0%
Brazil	73,261	1.8%
Other	636,558	15.6%
Economic revenue	4,062,247	100%
<i>Including Revenue from joint ventures at the Group's percentage stake</i>	607,343	
Consolidated revenue	3,454,904	

First-half 2016		
In thousands of euros	Totals	%
United States	547,293	17.2%
Germany	415,600	13.1%
France	411,219	12.9%
China	267,767	8.4%
Mexico	253,855	8.0%
United Kingdom	246,843	7.8%
Spain	227,817	7.2%
South Korea	129,516	4.1%
Slovakia	118,765	3.7%
Poland	63,464	2.0%
Other	497,353	15.6%
Economic revenue	3,179,491	100%
<i>Including Revenue from joint ventures at the Group's percentage stake</i>	519,457	
Consolidated revenue	2,660,034	

3.1.4.3. Information by Automotive manufacturer

First-half 2017		
Automotive manufacturers	Totals	
	In thousands of euros	% of total Automotive revenue
	Totals	% of total Automotive revenue
Volkswagen-Porsche	848,817	21.8%
General Motors	548,122	14.1%
PSA Peugeot Citroën	401,002	10.3%
Renault/Nissan	319,206	8.2%
BMW	301,658	7.7%
Total – main manufacturers	2,418,805	62.1%
Other automotive manufacturers	1,475,416	37.9%
Total Automotive segment – Economic revenue	3,894,221	100.0%
<i>Including Revenue from joint ventures at the Group's percentage stake</i>	607,343	
<i>Automotive Revenue sub-total</i>		
Total Automotive segment – Consolidated revenue	3,286,878	

First-half 2016		
Automotive manufacturers	Totals	
	In thousands of euros	% of total Automotive revenue
	Totals	% of total Automotive revenue
Volkswagen-Porsche	532,520	17.7%
General Motors	469,291	15.7%
PSA Peugeot Citroën	360,804	12.1%
Renault/Nissan	319,760	10.7%
BMW	255,443	8.5%
Total – main manufacturers	1,937,818	64.7%
Other automotive manufacturers	1,055,012	35.3%
Total Automotive segment – Economic revenue	2,992,830	100%
<i>Including Revenue from joint ventures at the Group's percentage stake</i>	519,457	
<i>Automotive Revenue sub-total</i>		
Total Automotive segment – Consolidated revenue	2,473,373	

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 2017	%	First-half 2016	%
Research and development costs	-197,624	-5.7%	-156,604	-5.9%
Capitalized development costs and research and development costs billed to customers	116,611	3.4%	90,967	3.4%
Net research and development costs	-81,013	-2.3%	-65,637	-2.5%

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

In thousands of euros	First-half 2017	First-half 2016
Cost of sales includes:		
Raw materials (purchases and changes in inventory) ⁽¹⁾	-2,179,617	-1,660,291
Direct production outsourcing	-8,074	-5,550
Utilities and fluids	-55,871	-39,880
Employee benefits expense ⁽²⁾	-380,979	-267,724
Other production costs	-198,049	-160,732
Proceeds from the sale of waste containers leased to customers under operating leases ⁽³⁾	3,877	1,068
Carrying amount of waste containers leased to customers under operating leases ⁽³⁾	-2,000	-1,254
Depreciation	-83,773	-63,960
Provisions for liabilities and charges	10,351	1,492
Total	-2,894,135	-2,196,831
Research and development costs include:		
Employee benefits expense ⁽²⁾	-96,762	-76,390
Amortization of capitalized development costs	-47,863	-37,022
Other	63,612	47,776
Other	-81,013	-65,637
Selling costs include:		
Employee benefits expense ⁽²⁾	-22,647	-18,285
Depreciation, amortization and provisions	-88	-75
Other	-7,171	-8,475
Total	-29,906	-26,835
Administrative costs include:		
Employee benefits expense ⁽²⁾	-79,422	-64,824
Other administrative expenses	-58,256	-45,778
Depreciation	-5,421	-5,141
Provisions for liabilities and charges	150	-17
Total	-142,949	-115,760

- (1) Of which charges, reversals and provisions for impairment on inventories amounting to
 -- €1,081 thousand, first-half 2017;
 -- €1,439 thousand, first-half 2016.
- (2) See in Operations for the period chapter, the note 2.5 on the implementation of the Competitiveness and Employment Tax Credit-CICE for French entities.
- (3) 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 essentially to:

- the amortization over seven years of contractual customer relationships recognized during the acquisition in 2010 of 50% of “Inergy Automotive Systems”;
- the amortization over nine years of contractual customer relationships recognized in 2011 on “Ford’s fuel systems” business in the United States;
- the amortization over six years of contractual customer relationships recognized during the acquisition, on July 29, 2016, of the “Faurecia Group Exterior Systems” business (see Note 2.1.1.4. “The opening balance sheet” at the cost recognized in the financial statements).

In thousands of euros	First-half 2017	First-half 2017
Brands	-175	-175
Contractual customer relationships	-12,582	-9,207
Total amortization of intangible assets acquired in business combinations	-12,757	-9,382

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

The associates Chengdu Faway Yanfeng Plastic Omnium, Dongfeng Plastic Omnium Automotive Exterior 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 2017	First-half 2016
JV HBPO GmbH and its subsidiaries and associates	33.33%	8,831	6,867
JV Yanfeng Plastic Omnium and its subsidiaries	49.95%	20,002	10,152
B.P.O. AS	49.98%	5,308	4,871
Plastic Recycling SAS	50.00%	-7	-37
POCellTech	20.00%	-3,450	-
Changchun Huazhong Yanfeng Plastic Omnium Automotive Exteriors Co. Ltd ⁽¹⁾	24.98%	133	-
Total share of profit/(loss) of associates and joint ventures		30,817	21,853

(1) See note 2.1.2 on the acquisition of the Chinese entity Changchun Huazhong Yanfeng Plastic Omnium Automotive Exteriors Co. Ltd.

4.5. Other operating income and expenses

In thousands of euros	First-half 2017	First-half 2016
Pre-start-up costs at new plants ⁽¹⁾	-2,592	-7,509
Employee downsizing plans ⁽²⁾	-8,011	-10,665
Impairment of non-current assets ⁽³⁾	-5,850	7
Provisions for charges ⁽⁴⁾	-224	1,900
Litigation ⁽⁵⁾	-5,938	-6,954
Foreign exchange gains and losses on operating activities ⁽⁶⁾	-5,286	-7,118
Impact of acquisitions: related fees and expenses ⁽⁷⁾	-6,299	-2,888
Deconsolidation impact	-6,789	-
of which gains or losses on the sale of investment in subsidiaries ^(a)	-25,041	-
of which impairment of non-current assets	12,000	-
of which gains/losses on disposals of non-current assets ^(a)	4,567	-
of which fees associated with disposals	1,420	-
of which other operating items	264	-
Impact 1st implementation of Competitiveness and Employment Tax Credit-CICE for French entities ⁽⁸⁾	16,583	-
Gains or losses on disposals of other available-for-sale financial assets ^(a)	3,777	-
Other ⁽⁹⁾	5,149	1,737
Losses on disposals of non-current assets ^(a)	-8,011	-1,737
Total operating income and expenses	-23,492	-33,227
- of which total other operating income	61,577	12,078
- of which total other operating expense	-85,069	-45,305

First-half 2017 :**(1): Pre-start-up costs at new plants:**

All costs incurred in the first-half 2017 relate to Auto Exterior Division plants in the Automotive Division.

(2): Employee downsizing plans:

The costs of employee downsizing correspond to the restructuring of the Auto Exterior and Environment Divisions.

(3): Impairment of non-current assets:

This item comprises impairment mainly on the assets of the Automotive Division and the reversal of impairment of assets in Herford, Germany following the disposal of the "Sulo Emballagen GmbH" industrial and office buildings.

(4): Provisions for charges:

Not material

(5): Litigation:

This item relates to attorneys' fees and expenses relating to various legal disputes involving the Environment Division.

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

Practically all exchange rate losses in the first-half 2017 were in the Automotive Division and concerned different currencies including the Argentine peso, the Brazilian real and the renminbi in Asia.

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

This refers mainly to fees relating to external growth transactions already mentioned in 2016 (see *notes on changes in scope in paragraph 2 "Transactions in the period"*).

(8): The item "Impact of first implementation of the Tax credit for employment and competitiveness-CICE-French companies":

See Transactions in the period, Note 2.5 on "Implementation of the Tax credit for employment and competitiveness for French companies".

First-half 2016 :

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

All costs incurred in the first-half of 2016 related to the plants of the Auto Exterior Division of the Automotive Segment (see Note 2.4 "Investments in production capacity" to the Consolidated financial statements as at June 30, 2016).

(2): Employee downsizing plans:

Workforce adjustment costs related chiefly to the 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" to the Consolidated financial statements as at June 30, 2016).

Other costs related to individually immaterial amounts.

(3): Impairment of non-current assets:

Not material in first-half 2016.

(4): Provisions for charges:

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

(5): Litigation:

The amounts in this item corresponded 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).

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

These fees were related to ongoing 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", etc. to the Consolidated financial statements as at June 30, 2016). The costs recognized reflected the expenses incurred.

(9): Other:

This item essentially comprised an adjustment of prior years, third-party accounts of the Mexican subsidiary of the Auto Exterior Division of the Automotive Segment.

(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 2017		First-half 2016	
	Disposal proceeds	Gain/loss	Disposal proceeds	Gain/loss
Sales of waste containers included in operating margin	3,877	1,877	1,068	-186
Total current sales of waste containers (see note 4.2)	3,877	1,877	1,068	-186
Disposals of intangible assets	1,326	1,012	-	-389
Disposals of property, plant and equipment ⁽¹⁾	7,929	-4,456	2,947	-1,348
Disposals of other available-for-sale financial assets ⁽²⁾	38,714	3,777	-	-
Total of disposals of property, plant and equipment and non-current available-for-sale financial assets	47,969	333	2,947	-1,737
Disposals of non-current financial assets ⁽³⁾	167,526	-25,041	-	-
Total proceeds from disposal of non-current financial assets (see table above)	167,526	-25,041	-	-
Total	219,372	-22,831	4,015	-1,923

First-half 2017

- (1) Losses on disposals mainly concern the disposal of the office buildings of the Environment Division's "Sulo Emballagen" company in Herford, Germany.
- (2) The Group has disposed of the securities of listed company shown on the balance sheet at December 31, 2016 under "Other available-for-sale financial assets".
- (3) Disposals of Faurecia Exterior Systems securities, reclassified in 2016 under "Assets held for sale" for €157,029 thousand, price correction for the disposal of the Spanish site for -€258 thousand and disposal of truck business entities for the difference.

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).

4.6. Net financial income

In thousands of euros	First-half 2017	First-half 2016
Finance costs	-25,825	-20,798
Interest cost of post-employment benefit obligations	-1,260	-1,365
Financing fees and commissions	-4,013	-3,591
Finance costs, net	-31,098	-25,754
Exchange gains or losses on financing activities	-22,361	-7,136
Gains or losses on interest rate and currency hedges ⁽¹⁾	21,636	1,341
Other	-	108
Other financial income and expenses, net	-725	-5,687
Total	-31,823	-31,441

- (1) See Notes 5.2.6.1.3 on the "Impact of hedging on the Income statement" and 5.2.6.2.2 on the "Impact of unsettled foreign exchange currency hedges on income and equity".

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 recognized as part of gross profit and operating margin.

Income tax expense breaks down as follows:

In thousands of euros	First-half 2017	First-half 2016
Current taxes including the CVAE^{(1) (2)}	-64,569	-52,197
Current income tax (expense)/benefit including the CVAE	-56,142	-45,565
Tax (expense)/benefit on non-recurring items	-8,427	-6,632
Deferred taxes	7,967	7,870
Deferred tax (expense)/benefits on timing differences arising or reversing during the period	8,402	8,100
Effect of changes in tax rates or the introduction of new taxes	-435	-230
Income tax recorded in the consolidated income statement, including CVAE(1)	-56,602	-44,327

(1) For the Competitiveness and Employment Tax Credit-CICE for French entities, see in Operations for the period chapter, the note 2.5.

(2) The CVAE is included in "Income tax recorded in the income statement" from 2016.

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 2017		First-half 2016	
	Totals	% ⁽¹⁾	Totals	% ⁽¹⁾
Profit before tax (excluding tax assessed on net interim profit) (A)	235,506		176,536	
Tax calculated on net interim profit (CVAE) (B)	3,826		4,385	
Consolidated profit before tax and share of profit/(loss) of associates and joint ventures (C) = (A) + (B)	239,332		180,921	
French standard tax rate (D)		34.43%		34.43%
Theoretical tax expense (E) = (C) x (-D)	-82,402		-62,291	
Difference between theoretical tax expense and current and deferred tax expense excluding tax assessed on net interim profit (F)	29,626	-12.4%	22,349	-12.3%
Tax credits	17,119	-7.1%	13,378	-7.4%
Change in unrecognized deferred taxes	7,129	-3.0%	10,727	-5.9%
Impact of differences in foreign tax rates	10,755	-4.5%	9,148	-5.0%
Other impacts	-5,377	2.2%	-10,904	6.0%
Current and deferred tax expense excluding tax assessed on net interim profit (G) = (E) - (F)	-52,776		-39,942	
Tax calculated on net interim profit (CVAE) (H)	-3,826	1.6%	-4,385	2.4%
Total current and deferred tax expense (I) = (G) + (H)	-56,602		-44,327	
Effective tax rate (I) / (C)	23.7%		24.5%	

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

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The Group's effective tax rate for the first-half of 2017 is 23,65% (24.5% for the first-half of 2016). This tax rate is the result of the following:

In the first-half of 2017, actual income tax expense is €56,6 million compared with a theoretical tax expense of €82,4 million at the French standard rate of 34.43%.

For the same period in 2016, the tax recognized was an expense of €44.3 million for a theoretical tax of €62.3 million based on a 34.43% tax rate.

The difference between the tax recognized and the theoretical tax is mainly explained by:

- €17,1 million from specific tax reductions or credits, mainly in North America, Asia and France (€13.4 million in first-half 2016);
- -€6,9 million from permanent differences between accounting profits and taxable profits, such as taxable dividends (-€6.2 million in the first-half of 2016);
- €7,1 million through the effect of unrecognized shortfalls or other assets generated during the year, net of those previously not activated but used or recognized during the year (10.7 million for the first-half of 2016);
- and €10,8 million from the impact of more favorable tax rates, principally in Asia, Europe (other than France and Belgium) and Mexico (€9.1 million in first-half 2016).

4.8. Net profit attributable to non-controlling interests

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

In thousands of euros	First-half 2017	First-half 2016
Inergy Automotive Systems Manufacturing (Beijing) Co. Ltd	816	2,158
Inergy Automotive Systems Manufacturing India Pvt Ltd	677	353
DSK Plastic Omnium Inergy	1,301	543
DSK Plastic Omnium BV	-70	78
Total attributable to non-controlling interests	2,724	3,132

4.9. Basic earnings per share and diluted earnings per share

Net profit attributable to owners of the parent	First-half 2017	First-half 2016
Basic earnings per share (in euros)	1.42	1.05
Diluted earnings per share (in euros)	1.41	1.04
Weighted average number of ordinary shares outstanding	152,476,720	152,960,236
- Treasury stock	-4,693,077	-5,461,982
Weighted average number of ordinary shares, undiluted	147,783,643	147,498,254
- Impact of dilutive instruments (stock options)	1,281,245	1,527,876
Weighted average number of ordinary shares, diluted	149,064,888	149,026,129
Weighted average price of the Plastic Omnium share during the period		
- Weighted average share price	32.99	29.02

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, 2017 (see Note 1.3 "Use of estimates and assumptions").

GOODWILL	Cost	Impairment	Carrying amount
In thousands of euros			
Goodwill at January 1, 2016	287,496	-	287,496
Goodwill on the acquisition of the Faurecia Group "Exterior Systems" business ⁽¹⁾	260,955	-	260,955
Derecognition of goodwill from the company "Signature Ltd" - sold company	-17,031	-	-17,031
Derecognition of goodwill from the company "Sulo Emballagen GmbH" - sold company	-3,501	-	-3,501
Reclassifications according to IFRS 5 ⁽²⁾	-255	-	-255
Translation adjustment	3,412	-	3,412
Goodwill at December 31, 2016 published	531,077	-	531,077
Goodwill adjustment on the acquisition of the Faurecia Group "Exterior Systems" business ⁽³⁾	52,340	-	52,340
Goodwill at December 31, 2016 adjusted	583,417	-	583,417
Translation adjustment	-5,971	-	-5,971
Goodwill at June 30, 2017	577,446	-	577,446

(1) See Note 2.1.1 on the acquisition of the Faurecia Group "Exterior Systems" business of the Consolidated Financial Statements of December 31, 2016

(2) See Note 5.1.11 for the breakdown of components included in "Assets and Liabilities held for sale".

(3) See the note 2.1.1.3.2 on the "Follow up of Faurecia Exterior Systems business acquisition".

Hereafter, goodwill by reportable segment:

GOODWILL BY REPORTABLE SEGMENT	Cost	Impairment	Carrying amount
In thousands of euros			
Automotive	478,913	-	478,913
Environment	98,533	-	98,533
Value at June 30, 2017	577,446	-	577,446

Automotive	432,520	-	432,520
Environment	98,557	-	98,557
Value at December 31, 2016 published	531,077	-	531,077
Automotive - Adjustments on Faurecia Exterior Systems business	52,340	-	52,340
Value at December 31, 2016 adjusted	583,417	-	583,417

5.1.2. Investment property

The item “Investment property” is unchanged since December 31, 2016:

In thousands of euros	Land	Buildings	Total
Fair value at December 31, 2016	12,700	80,563	93,263
Fair value at June 30, 2017	12,700	80,563	93,263
In thousands of euros	Land	Buildings	Total
Fair value at December 31, 2015	12,700	80,563	93,263
Fair value at December 31, 2015	12,700	80,563	93,263

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	93,263
Fair value at June 30, 2017 and December 31, 2016	12,700	80,563	93,263

At June 30, 2017, as at December 31, 2016, the balance of investment property covered:

- the Lyon Gerland complex: this is a 33,000 sq.m. office complex (including 3,000 sq.m. of service buildings), 82% of which is rented to a third-party.

The entire building complex is classified under investment property. The portion corresponding to the Group’s own use (around 900 sq.m.), or 3%, is deemed immaterial.

- and a bare land located in the Lyon region belonging to Compagnie Plastic Omnium.

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, 2017	December 31, 2016
JV HBPO GmbH and its subsidiaries and sub-subsidiaries	33.33%	35,320	37,108
JV Yanfeng Plastic Omnium and its subsidiaries	49.95%	133,920	122,748
B.P.O. AS	49.98%	13,684	16,925
Plastic Recycling SAS	50.00%	288	294
POCellTech	20.00%	9,667	13,117
Changchun Huazhong Yanfeng Plastic Omnium Automotive Exteriors Co. Ltd ⁽¹⁾	24.98%	2,065	-
Total investments in associates and joint ventures		194,944	190,192

(1) See note 2.1.2 on the acquisition of the Chinese entity Changchun Huazhong Yanfeng Plastic Omnium Automotive Exteriors Co. Ltd.

Investments in these entities include goodwill by segment in the following amounts:

In thousands of euros	June 30, 2017	December 31, 2016
Goodwill in associates and joint ventures - Automotive segment ⁽¹⁾	27,569	31,077
Total goodwill in associates and joint ventures	27,569	31,077

(1) The change over the period mainly corresponds to the acquisition of “Changchun Huaxiang Automotive Plastic Parts Manufacturing Co Ltd”. See Note 2.1.2 in “Transactions in the period”.

5.1.4. Available-for-sale financial assets

5.1.4.1. Available-for-sale financial assets – Equity interests

The financial assets recognized in this item correspond to non-significant shell companies and dormant companies.

5.1.4.2. Available-for-sale financial assets

Financial assets recognized under this item include amounts invested by the Group in the “FMEA 2” Tier 2 Automotive OEM Modernization Fund and to investments in shares in listed companies.

In thousands of euros	June 30, 2017	December 31, 2016
Contributions to the “FMEA 2” fund ⁽¹⁾	1,427	1,427
Contributions to the “FMEA 2” fund ⁽¹⁾⁽²⁾	26,813	29,024
Other available-for-sale assets	28,240	30,451

(1) Contributions to the “FMEA 2” fund and investments in shares in listed companies are listed with long-term financial receivables in Note 5.2.5.5 “Reconciliation of gross and net debt”.

(2) The funds are invested by the Group’s captive reinsurance company (see Note 5.1.9.1).

5.1.5. Other non-current financial assets

In thousands of euros	June 30, 2017	December 31, 2016
Deposits and bonds	27,601	25,786
Other receivables	36	30
Other non-current assets and financial receivables (see Note 5.2.5.5)	27,637	25,816
Finance receivables related to Environment finance leases	1,385	1,637
Finance receivables related to Automotive contracts	29,716	26,996
Non-current financial receivables (see Note 5.2.5.5)	31,101	28,633
Total	58,738	54,449

“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, 2017	31 December 2016 adjusted	Adjustments	December 31, 2016 published
Raw materials and supplies				
At cost	140,818	132,089		132,089
Net realizable value	130,644	122,445		122,445
Molds, tooling and engineering				
At cost	176,105	135,588		135,588
Net realizable value	175,944	135,411	-20	135,431
Other work in progress				
At cost	175	70		70
Net realizable value	175	70		70
Maintenance inventories				
At cost	56,237	55,694		55,694
Net realizable value	44,840	43,909	-1,627	45,536
Goods				
At cost	11,298	9,410		9,410
Net realizable value	10,228	8,406		8,406
Semi-finished products				
At cost	43,028	39,140		39,140
Net realizable value	40,800	36,859		36,859
Finished products				
At cost	49,559	45,323		45,323
Net realizable value	46,052	41,565		41,565
Total, net	448,683	388,665	-1,647	390,312

5.1.7. Current financial receivables

In thousands of euros	June 30, 2017	December 31, 2016
	Carrying amount	Carrying amount
Current financial receivables (see Note 5.2.5.5)	23,367	33,918
of which Environment division finance lease receivables	1,005	999
of which Automotive division finance receivables	22,362	32,919
Other current financial assets and financial receivables (see Note 5.2.5.5)	44,640	62,388
of which "Current accounts"	2,051	1,337
of which "Negotiable debt securities" ⁽¹⁾	24,009	24,016
of which receivables attached to available for sale financial assets ⁽²⁾	-	30,179
of which "Other" ⁽³⁾	18,580	6,856
Total current financial receivables	68,007	96,306

(1) See Note 5.2.5.5 "Loans, negotiable debt securities and other financial assets".

(2) At December 31, 2016, this was a receivable attached to the part of the Faurecia Group's Exterior Systems activity from which the Plastic Omnium Group has withdrawn and which at that date was being sold.

(3) Of Which € 10,755 thousands received in cash at the beginning of July 2017, for the disposal of the Trucks' business that has been therefore reclassified in other current financial receivables.

5.1.8. Trade and other receivables

5.1.8.1. Sale of receivables

Compagnie Plastic Omnium and some of its European and US 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 €377 million at June 30, 2017, against €338 million at December 31, 2016.

5.1.8.2. Trade receivables - Cost, impairment and carrying amounts

In thousands of euros	June 30, 2017			December 31, 2016		
	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Trade receivables published	911,551	-3,566	907,984	813,753	-4,129	809,624
Adjustments related to the Faurecia activity					-205	-205
Trade and other receivables - adjusted	911,551	-3566	907,984	813,753	-4,334	809,419

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, 2017	December 31, 2016
Sundry receivables	92,540	91,568
Prepayments to suppliers of tooling and prepaid development costs	86,880	79,929
Prepaid and recoverable income taxes	95,795	78,759
Other prepaid and recoverable taxes	111,197	91,077
Employee advances	3,591	1,860
Prepayments to suppliers of non-current assets	5,114	3,967
Other receivables	395,117	347,160

5.1.8.4. Trade and other receivables by currency

In thousands of currency units		June 30, 2017			31 December 2016 Adjusted	Adjustment	December 31, 2016		
		Local currency	Euro	%	Local currency	Euro	Local currency	Euro	%
EUR	Euro	693,762	693,762	53%	561,010	-205	561,215	561,215	49%
USD	US dollar	303,484	265,934	20%	249,676		263,184	249,676	22%
CNY	Chinese yuan	705,124	91,119	7%	104,588		765,604	104,588	9%
GBP	Pound sterling	65,330	74,295	6%	82,348		70,505	82,348	7%
Other	Other currencies		177,991	14%	158,957			158,957	14%
Total			1,303,101	100%	1,156,579	-205		1,156,784	100%
Of which:									
• Trade receivables			907,984	70%	809,419	-205		809,624	70%
• Other receivables			395,117	30%	347,160			347,160	30%

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

In thousands of currency units		Sensitivity tests on receivables at June 30, 2017						31 December 2016 Adjusted	Adjustment	Sensitivity tests on receivables at December 31, 2016					
		Basis		Increase – all currencies		Decrease – all currencies		Basis		Basis		Increase – all currencies		Decrease – all currencies	
				+10%	+20%	-10%	-20%					+10%	+20%	-10%	-20%
		Local currency	Exchange rate	%	%	%	%	Euro	Euro	Local currency	Exchange rate	%	%	%	%
EUR	Euro	693,762	1.00000	52%	51%	56%	59%	561,010	-205	561,215	1.00000	46%	44%	51%	54%
USD	US dollar	303,484	0.87627	21%	22%	19%	18%			263,184	0.94868	23%	23%	20%	19%
CNY	Chinese yuan	705,124	1.13723	6%	6%	5%	5%			765,604	0.13661	9%	10%	9%	8%
GBP	Pound sterling	65,330	0.12922	7%	7%	7%	6%			70,505	1.16798	7%	8%	7%	6%
Other	Other currencies			14%	14%	13%	12%					15%	15%	13%	13%
Total in euros			1,303,101	1,364,035	1,424,969	1,242,167	1,181,233	1,156,579	-205		1,156,784	1,216,341	1,275,903	1,097,237	1,037,670
Of which:															
Trade receivables			907,984	950,443	992,901	865,527	823,068	809,419	-205		809,624	851,308	892,992	767,941	726,258
Other receivables			395,117	413,592	432,068	376,640	358,165	347,160			347,160	365,033	382,911	329,296	311,412

Currency sensitivity tests on “Trade payables and other operating liabilities” and “Trade and other receivables” (see Note 5.2.7.3) show a low sensitivity of this item to variations in exchange rates.

5.1.9. Cash and cash equivalents

5.1.9.1 Gross cash and cash equivalents

In thousands of euros	June 30, 2017	December 31, 2016	June 30, 2016
Cash at bank and in hand	640,226	222,307	295,526
Short-term deposits	258,411	111,882	533,351
Total cash and cash equivalents on the balance sheet	898,637	334,189	828,877

Group cash and cash equivalents break down as follows:

In thousands of euros	June 30, 2017	December 31, 2016	June 30, 2016
Cash and cash equivalents of the Group's captive reinsurance company ⁽¹⁾	30,425	26,729	51,045
Cash and cash equivalents in countries with exchange controls on remittances and transfers ⁽²⁾	97,691	88,441	79,222
Cash equivalents	770,521	219,019	698,610
Total cash and cash equivalents on the balance sheet	898,637	334,189	828,877

(1) The change over the period was placed under Available-for-sale financial assets (see Note 5.1.4).

(2) The "countries with exchange controls on remittances and transfers" include Brazil, China, India, Chile, Argentina and South Korea.

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, 2017	December 31, 2016	June 30, 2016
Cash and cash equivalents	898,637	334,189	828,877
Bank overdrafts	-9,762	-10,307	-4,541
Net cash and cash equivalents at end of period in the statement of cash flows	888,875	323,882	824,336

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:

Consolidated financial statements	First-half 2017	2016	First-half 2016
Funds from operations	415,021	732,587	321,330
Tax paid	-67,265	-97,271	-37,127
Interest paid	-34,959	-52,703	-24,271
Funds from operations after payment of taxes and interest	312,797	582,613	259,932

Associates and joint ventures

Share of funds from operations	47,587	73,892	31,439
Share of tax paid	-8,799	-10,138	-2,503
Share of interest received/paid	1,060	1,549	541
Elimination of dividends paid	-17,533	-31,409	-24,887
Share of funds from operations after payment of taxes and interest received, net of dividends paid	22,315	33,894	4,590

Total	335,112	616,507	264,522
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5.1.11. Monitoring at June 30, 2017 of transactions covered by IFRS 5 as at December 31, 2016

These “Assets and Liabilities held for sale” are measured as a best estimate of their realizable values. Differences between realizable values and net carrying amounts, where these are negative, resulted in the recognition of an impairment for each asset at December 31, 2016. The impact on the gain/loss on disposals in the first-half is shown in Note 4.5 “Other operating income and expenses”.

These transactions which are covered by IFRS 5 are listed chronologically:

IFRS 5 - notes 1 and 1 bis: “Fuel systems” Division technical centers (Oise and Laval):

The Laval technical center in the Mayenne department and the former fuel systems technical center in the Oise department, disposed of following the opening of its new Research and Development Center, α-Alphatech on September 1, 2014 still are not sold at June, 30, 2017 closing.

IFRS 5 - note 2: The Laval “Fuel systems” Division production site:

The Laval fuel systems Division production site in the Mayenne department in France is still not sold at June, 30, 2017 closing.

IFRS 5 - note 3: “Sulo Emballagen” site in Herford Germany:

The Herford site in Germany representing the administrative and industrial buildings of “Sulo Emballagen” of the Environment Division was sold in January 2017 for €1,150 thousand generating a loss of €4,398 thousand provisioned in the financial statements as at December 31, 2016 (see Note 4.5 “Other operating income and expenses”).

IFRS 5 - note 4: The Faurecia Exterior Systems businesses held for sale:

On March 31, 2017, the Group sold to the US Group Flex-N-Gate the shares of the “Faurecia Exterior Systems” entities that it could not keep following the European Commission’s decision (see Note 2.1.1.7 “Faurecia Exterior Systems companies held for sale”).

IFRS 5 - note 5: Automotive Truck business:

On June 30, 2017, the Group sold to the German group “Mutares”, which specializes in the acquisition of companies in turnaround, the Automotive Truck business. At December 31, 2016, the Group has recognized, based on the realizable value, an impairment of non-current assets, representing the probable loss (see Note 4.5 “Other operating income and expenses” for the net impact on the financial statements for the period).

The breakdown of “Assets and Liabilities held for sale” at June 30, 2017, is provided in the following table.

5.1.11.1. Summary presentation of transactions covered by IFRS 5 “Assets and Liabilities held for sale”

	June 30, 2017	December 31, 2016 adjusted	Adjust ments	December 31, 2016 published
<i>In thousands of euros</i>	Totals	Totals	Totals	Totals
IFRS 5 - Note 1: Compiègne technical center in the Oise department	846	846	-	846
<i>of which Land</i>	167	167	-	167
<i>of which Buildings, equipment, building improvements, fixtures and fittings</i>	679	679	-	679
IFRS 5 - Note 1 bis: Laval technical center in the Mayenne department	1,080	1,079	-	1,079
<i>of which Land</i>	178	178	-	178
<i>of which Buildings, equipment, building improvements, fixtures and fittings</i>	902	901	-	901
IFRS 5 - Note 2: Laval production site in Mayenne department	871	871	-	871
<i>of which Plant</i>	871	871	-	871
IFRS 5 - Note 3: “Sulo Emballagen GmbH” site building in Herford Germany	-	1,150	-	1,150
IFRS 5 - Note 4: “Faurecia Exterior Systems”	-	157,029	-4,971	162,000
IFRS 5 - Note 5: Truck business	-	74,766	-	74,766
ASSETS held for sale	2,797	235,741	-4,971	240,712
IFRS 5 - Note 6: “Faurecia Exterior Systems” business discontinued operations	-	-	-	-
IFRS 5 - Note 7: Automotive “truck” business	-	79,368	-	79,368
LIABILITIES related to assets held for sale	-	79,368	-	79,368
NET ASSETS HELD FOR SALE	2,797	156,373	-4,971	161,344

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, 2017	December 31, 2016
Share capital at January 1	9,148,603	9,214,603
Capital reduction during the year	-	-66,000
Share capital at end of period, made up of ordinary shares with a par value of €0.06 each over the two periods	9,148,603	9,148,603
Treasury stock	312,547	253,588
Total share capital net of treasury stock	8,836,056	8,895,015

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

Structure of capital at June 30, 2017

The share capital is unchanged compared with December 31, 2016.

At June 30, 2017, Compagnie Plastic Omnium held 5,207,613 treasury shares, i.e. 3.42% of the share capital, against 4,226,467 or 2.77% of the share capital at December 31, 2016.

Structure of capital at December 31, 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 with effect on March 21, 2016.

The share capital of Compagnie Plastic Omnium decreased from 153,576,720 shares to 152,476,720 shares with par value of €0.06, representing a total value of €9,148,603.2.

At December 31, 2016, Compagnie Plastic Omnium held 4,226,467 treasury shares, i.e. 2.77% of the share capital, against 5,522,492 or 3.60% of share capital at December 31, 2015.

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	Retained earnings and other reserves	Attributable to owners of the parent
December 31, 2015	-41,399	-1,660	-49	18,156	1,009,572	984,620
Movements for first half of 2016	-6,909	272	-194	-	189,902	183,071
At June 30, 2016	-48,308	-1,388	-243	18,156	1,199,474	1,167,691
Movements for 2016	-1,540	268	71	1,044	806	649
At December 31, 2016	-49,848	-1,120	-172	19,200	1,200,279	1,168,339
Movements for first half of 2017	906	271	-371	-1,287	247,316	246,835
At June 30, 2017	-48,942	-849	-543	17,913	1,447,595	1,415,174

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	
Buyout of non-controlling interests in Plastic Omnium Systems GmbH	-1,812	-1,488	-3,300
Other changes in scope of consolidation at first half of 2016	-1,812	-1,488	-3,300
None	-	-	-
Other changes in scope of consolidation at second half of 2016	-	-	-
None	-	-	-
Other changes in scope of consolidation at first half of 2017	-	-	-

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, 2017		December 31, 2016	
	Number of shares in 2016	Dividend	Number of shares in 2015	Dividend
Dividend per share (in euros)		0.49 ⁽¹⁾		0.41 ⁽¹⁾
Total number of shares outstanding at the end of the previous year	152,476,720		152,476,720	
Total number of shares held in treasury on the ex-dividend date	4,981,805 ⁽²⁾		4,886,974 ⁽²⁾	
Total number of shares held in treasury at the year-end (for information)	4,226,467 ⁽²⁾		5,522,492 ⁽²⁾	
Dividends on ordinary shares		74,714		62,515
Dividends on treasury stock (unpaid)		-2,441 ⁽²⁾		-2,004 ⁽²⁾
Total net dividend		72,273		60,512

(1): In the first-half of 2017, Compagnie Plastic Omnium paid a dividend of €0.49 per share on profits from 2016.

In 2016, Compagnie Plastic Omnium paid a dividend of €0.41 per share on profits from 2015.

(2): **June 30, 2017:** the number of treasury shares taken into account at December 31, 2016 for the determination of the provisional total dividend was 4,226,467. On the First-half 2017 ex-dividend date, there were 4,981,805 shares in treasury, increasing the dividends attached to those shares from €2,071 thousand to €2,441 thousand.

December 31, 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 2016 ex-dividend date, there were only 4,886,974 shares in treasury, reducing the dividends attached to those shares from €2,264 thousand to €2,004 thousand.

5.2.3. Share-based payments

The Board of Directors meeting of February 22, 2017 granted stock options with an effective date of March 10, 2017, exercisable as from March 11, 2021 over a period of three years. The exercise of the options granted to corporate officers is subject to market and performance conditions.

This plan was valued in accordance with the “Black & Scholes” model described in Note 1.1.22. “Stock option plans” of the consolidated financial statements as at December 31, 2016. The main assumptions used for this valuation are as follows:

Other information	March 10, 2017
Plastic Omnium share price at the plan grant date	33.71
Exercise price	32.84
zero-coupon interest rate	0.04%
Expected volatility	33.00%
Expected dividend rate	1.45%
Maturity	11-March-2021
Total number of recipients	200

Based on the above, the plan of March 10, 2017 was valued at €4,249,015. The cost is amortized on a straight-line basis over the vesting period, i.e. four years (of which: 523,134 at June 30, 2017).

Social contributions relating to this new plan amounting to €954,414 were recognized in full as expenses at June 30, 2017. They are calculated on the basis of 25% of the share price at the grant date and represent 30% of the total value of options granted to French beneficiaries (377,500 options).

Valuation of the March 10, 2017 plan <i>In euros</i> <i>In units for the number of options</i>	Stock Options for the March 10, 2017 plan		TOTAL
	Subject to market conditions	No subject to market conditions	
Average value of one stock option	4.39	8.79	7.34
Number of options	190,000	388,500	578,500
Accounting expense (with adjustment to reserves)	834,100	3,414,915	4,249,015

5.2.4. Provisions for liabilities and charges

In thousands of euros	December 31, 2016 adjusted	Charges	Utilizations	Releases of surplus provisions	Reclassifications according to IFRS 5	Other reclassifications	Actuarial gains/(losses)	Changes in scope of consolidation (derecognition) ⁽⁵⁾	Translation adjustment	June 30, 2017
Customer warranties	19,985	8,106	-3,234	-3,312	-	-16	-	-	-153	21,376
Reorganization plans ⁽¹⁾	10,757	74	-4,456	-150	-	-2	-	-	-79	6,144
Taxes and tax risks	298	-	-	-	-	-1	-	-	-	297
Contract risks ⁽²⁾	79,479	7,872	-33,212	-2,236	-	-1,463	-	2,763	-	53,203
Claims and litigation	5,041	4,984	-1,570	-563	-	1,460	-	-873	-55	8,424
Other ⁽³⁾	17,024	1,498	-504	-97	-	22	-	-	-778	17,164
Provisions for liabilities and charges	132,584	22,534	-42,976	-6,358	-	-	-	1,890	-1,065	106,608
Provisions for pensions and other post-employment benefits ⁽⁴⁾	109,718	5,542	-1,134	-	-	-	-1,941	-538	-3,251	108,397
TOTAL	242,302	28,076	-44,110	-6,358	-	-	-1,941	1,352	-4,316	215,005

(1) Regarding the ongoing reorganization in the Automotive Division.

(2) Regarding the impacts of loss making contracts and losses on completion in the Automotive Division.

(3) The "Others" sub-section includes individually insignificant amounts.

(4) The actuarial difference corresponds to the change in interest rates in the Eurozone and United- States.

(5) These are mainly impacts associated with Faurecia's Exterior Systems activities.

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In thousands of euros	December 31, 2015	Charges	Utilizations	Releases of surplus provisions	Reclassifications according to IFRS 5 ⁽⁵⁾	Other reclassifications	Actuarial gains/losses	Changes in scope of consolidation (derecognition) ⁽⁶⁾	Translation adjustment	December 31, 2016 published	Adjustments	December 31, 2016 adjusted
Customer warranties	17,296	9,853	-4,709	-2,707	-	-	-	326	-74	19,985		19,985
Reorganization plans ⁽¹⁾	3,017	7,667	-9,148	-45	-	268	-	8,943	-47	10,655	102	10,757
Taxes and tax risks	3,362	297	-3,361	-	-	-481	-	481	-	298		298
Contract risks ⁽²⁾	36,865	13,407	-21,655	-6,825	-17,239	1,551	-	34,542	-169	40,478	39,001	79,479
Claims and litigation	2,657	3,097	-654	-551	-848	167	-	-2	-23	3,843	1,198	5,041
Other ⁽³⁾	6,321	2,081	-1,594	-559	-	-1,505	-	6,679	596	12,019	5,005	17,024
Provisions for liabilities and charges	69,518	36,402	-41,121	-10,687	-18,087	-	-	50,969	283	87,277	45,307	132,584
Provisions for pensions and other post-employment benefits	101,991	7,826	-4,932	-	-9,990		12,806	409	1,609	109,718		109,718
TOTAL	171,509	44,228	-46,053	-10,687	-28,077	-	12,806	51,378	1,892	196,995	45,307	242,302

(1) Regarding the ongoing reorganization at the Compiègne-Laval site in France.

(2) Regarding the impacts of loss-making contracts and losses on completion in the Automotive division

(3) The "Others" sub-section includes individually insignificant amounts.

(4) The actuarial difference corresponds to the decrease in rates in the Eurozone and United- States.

(5) See Note 5.1.16 on the breakdown of the items included in "Assets and Liabilities held for sale".

(6) These are mainly impacts associated with Faurecia's Exterior Systems activities

5.2.5. Non-current and current borrowings

5.2.5.1 Net debt indicator used by the Group

Net debt is an important indicator for day-to-day cash management purposes. This indicator enables the Group to determine its 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 5.2.5.3 "Loans, negotiable debt securities and other financial assets");
- plus short-term debt;
- plus overdraft facilities;
- and less cash and cash equivalents.

5.2.5.2 Borrowings: private placement notes and bonds

First-half of 2017:

On June 19, 2017, the Group carried out the placement of a new bond issue of €500 million with European investors without “covenant” or “rating”. The features of this bond issue are presented in the table below:

Bond issue	Issued on June 19, 2017
Fixed rate	500.000.000 <i>in euros</i>
Maturity	June, 26, 2024
Interest rate	1.25 %
Listed	Euronext Paris

June 30, 2017:

The main features of the bonds and private placements as at June 30, 2017 are summarized in the following table:

June 30, 2017	Private bond issue of 2012	Private bond of 2013	“Schuldschein” private placement of 2016	Private bond issue of June 2017
Issue - fixed rate	250,000,000	500,000,000	300,000,000	500,000,000
Annual interest rate / coupon	3.875%	2.875%	1.478%	1.25%
Features	French institutional investors	European investors	International (Asia, Germany, Netherlands, Switzerland, Luxembourg, Belgium) and French investors	European investors
	No “covenant” and “rating”			
Maturity	December 12, 2018	May 29, 2020	June 17, 2023	June, 26, 2024

5.2.5.3 Loans, negotiable debt securities and other financial assets

Other financial assets comprise 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. These assets 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. The table below shows the summary:

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Negotiable medium-term note	Registered as Current financial receivables ⁽¹⁾			
	Subscription date	February 24, 2015	July 13, 2015	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 four quarters following the subscription date</i>			<i>Not available for eight 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
Total at June 30, 2017	24,000,000 euros			

(1) See Note 5.1.7 on "Current financial receivables".

5.2.5.4 Utilization of medium-term credit lines

At June 30, 2017 as at December 31, 2016, 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, 2017 these confirmed bank lines amounted to €1,349 million with an average maturity of four years, compared with €1,303 million at December 31, 2016.

5.2.5

In thousands of euros	June 30, 2017			December 31, 2016		
	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion
Finance lease liabilities	15,442	2,697	12,745	17,059	2,821	14,238
Bonds and bank loans	1,655,700	100,995	1,554,705	1,270,598	165,499	1,105,099
<i>of which the bond issue in 2017</i>	494,561	86	494,475	-	-	-
<i>of which the bond issue in 2013</i>	502,361	5,335	497,026	505,091	8,546	496,545
<i>of which the "EuroPP" bond issue</i>	250,440	1,299	249,141	249,390	531	248,859
<i>of which the "Schuldschein" private placement 2012</i>	-	-	-	45,000	45,000	-
<i>Of which the "Schuldschein" private placement 2016</i>	298,830	158	298,672	300,960	2,393	298,567
<i>Of which commercial paper</i>	-	-	-	12,000	12,000	-
<i>of which bank lines of credit</i>	109,508	94,117	15,391	158,157	97,029	61,128
Non-current and current borrowings (+)	1,671,142	103,692	1,567,450	1,287,657	168,320	1,119,337
Other current debt (+)	7	7		5	5	
Hedging instruments – liabilities (+) ⁽¹⁾	6,020	6,020		17,870	17,870	
Total borrowings (B)	1,677,169	109,719	1,567,450	1,305,532	186,195	1,119,337
Available-for-sale financial assets (-) ⁽²⁾	-28,240		-28,240	-30,451		-30,451
Other financial assets (-)	-82,105	-23,367	-58,738	-88,367	-33,918	-54,449
<i>of which non-current financial receivables⁽³⁾</i>	-27,637		-27,637	-25,816		-25,816
<i>-of which negotiable debt securities⁽³⁾</i>	-		-	-		-
<i>Of which trade accounts receivable⁽³⁾⁽⁴⁾</i>	-54,468	-23,367	-31,101	-62,551	-33,918	-28,633
Other current financial assets and financial receivables (-) ⁽⁴⁾	-44,640	-44,640		-62,388	-62,388	
<i>Of which negotiable debt securities</i>	-24,009	-24,009		-24,016	-24,016	
<i>Of which receivables attached to available for sale financial asset</i>	-	-		-30,179	-30,179	
Hedging instruments, assets (-) ⁽¹⁾	-11,606	-11,606		-499	-499	
Total financial receivables (C)	-166,591	-79,613	-86,978	-181,705	-96,805	-84,900
Gross debt (D) = (B) + (C)	1,510,578	30,106	1,480,472	1,123,827	89,390	1,034,437
Cash and cash equivalents (-) ⁽⁵⁾	898,637	898,637		334,189	334,189	
Short-term bank loans and overdrafts (+)	-9,762	-9,762		-10,307	-10,307	
Net cash and cash equivalents as recorded in the statement of cash flows (A)⁽⁶⁾	-888,875	-888,875		-323,882	-323,882	
NET DEBT (E) = (D) + (A)	621,703	-858,769	1,480,472	799,945	-234,492	1,034,437

(1) See Note 5.2.6 "Interest rate and foreign exchange hedges".

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

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

(4) See Note 5.1.7 "Current financial assets".

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

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

.5 Reconciliation of gross and net debt

5.2.5.6 Analysis of gross debt by currency

The table below shows the gross financial debt after accounting for the swaps transactions whose purpose was to change euros into foreign currency.

As a % of total debt	June 30, 2017	December 31, 2016
Euro	72%	63%
US dollar	18%	25%
Chinese yuan	4%	5%
Pound sterling	4%	5%
Brazilian real	1%	1%
Russian ruble	0%	0%
Polish zloty	0%	0%
Other currencies ⁽¹⁾	1%	1%
Total	100%	100%

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

5.2.5.7 Analysis of gross debt by type of interest rate

As a % of total debt	June 30, 2017	December 31, 2016
Hedged variable rates	0%	0%
Unhedged variable rates	2%	8%
Fixed rates	98%	92%
Total	100%	100%

5.2.6. Interest rate and currency hedges

In thousands of euros	June 30, 2017		December 31, 2016	
	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	-	-4,750	-	-6,414
Foreign exchange derivatives	11,606	-1,270	499	-11,456
Total balance sheet	11,606	-6,020	499	-17,870

5.2.6.1 Interest rate hedges

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

At June 30, 2017:

- the total nominal amount of derivative instruments used to manage interest rate risks was €105 million (swaps) compared with €255 million (swaps and caps) at December 31, 2016;
- and the nominal value of cash-flow hedges as per IAS 39 amounted to €0 million compared with €60 million at December 31, 2016.

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.

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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 financial result.

5.2.6.1.1 Derivative portfolio

In thousands of euros	June 30, 2017			December 31, 2016		
	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)	-4,750	-	-4,750	-6,414	-	-6,414
Outstanding premiums	-	-	-	-350	-	-350
Total fair value and outstanding premiums		-	-4,750		-	-6,764

Composition of interest rate derivatives portfolio:

In thousands of euros	June 30, 2017								
	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI(1)	Nominal	Maturity	Reference interest rate	Outstanding premiums(2)	Nature of derivative
Swaps	-4,750	-	-4,750	-	105,000	February-2019	Euribor 1M	N/A	Not qualified
Total	-4,750	-	-4,750	-	105,000			-	

In thousands of euros	December 31, 2016								
	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in OCI(1)	Nominal	Maturity	Reference interest rate	Outstanding premiums(2)	Nature of derivative
Caps	-	-	-	-	60,000	May-2017	Euribor 2M	-140	CFH (3)
Caps	-	-	-	-	90,000	June-2017	Euribor 1M	-210	Not qualified
Swaps	-6,414	-	-6,414	-	105,000	February-2019	Euribor 1M	N/A	Not qualified
Total	-6,414	-	-6,414	-	255,000			-350	

(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 borrowings” and “Current borrowings”.

(3) CFH: Cash flow hedges.

5.2.6.1.2 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 (1) at December 31, 2016	Transactions in the period	Change in fair value of derivatives	Fair value adjustments reclassified in profit or loss	Fair value adjustments reclassified in profit or loss June 30, 2017
Effect of August 2010 and February 2012 restructuring of the derivatives portfolio) ⁽²⁾	1,824	-	-	-401	1,423
Effect of June 2013 restructuring of the derivatives portfolio	-3,530	-	-	814	-2,716
Total	-1,706	-	-	413	-1,293

In thousands of euros	Balance before tax recorded in OCI (1) at December 31, 2015	Transactions in the period	Change in fair value of derivatives	Fair value adjustments reclassified in profit or loss	Fair value adjustments reclassified in profit or loss June 30, 2016
Effect of August 2010 and February 2012 restructuring of the derivatives portfolio) ⁽²⁾ ⁽²⁾	2,627	-	-	-803	1,824
Effect of June 2013 restructuring of the derivatives portfolio	-5,157	-	-	1,627	-3,530
Total	-2,530	-	-	824	-1,706

(1) OCI: Other Comprehensive Income.

(2) Restructuring of derivatives portfolio so as to extend maturity of hedging instruments.

5.2.6.1.3 Impact of hedging on the income statement

In thousands of euros	June 30, 2017	December 31, 2016	June 30, 2016
Effective component of hedging instruments related to derivatives portfolio (hedging of interest rates accruing over the period)	-1,763	-3,622	-1,778
Reclassification in profit or loss of accumulated gains and losses following past restructurings ⁽¹⁾	-413	-824	-414
Time value of caps	299	686	341
Changes in fair value of instruments that do not qualify for hedge accounting	1,656	1,740	-140
Total⁽²⁾	-221	-2,020	-1,991

(1) See Note 5.2.6.1.2 “Reclassified in profit or loss”.

(2) 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 5.2.6.2.

5.2.6.2 Currency hedges

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

Since 2016, the Group has opted for 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.

The Group has also applied the accounting treatment of hedges of net assets, as required by IAS 39.89, on certain instruments: instruments are valued at fair value and changes in value and their settlement are recognized in equity.

At June 30, 2017, the fair value of instruments implemented and recognized was €10,335 thousand, of which -€379 thousand recognized in equity.

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

5.2.6.2.1 Portfolio of currency hedges

	June 30, 2017				December 31, 2016			
	Fair value in thousands of euros	Notional amount in thousands of currency units	Medium-term exchange rate	Exchange rate at June 30, 2017	Fair value in thousands of euros	Notional amount in thousands of currency units	Medium-term exchange rate	Exchange rate at December 31, 2016
			Currency / Euro	Currency / Euro			Currency / Euro	Currency / Euro
Net sell position (net buy position if <0)								
USD - Forward exchange contract	-326	+55,274	1.1279	1.1412	-1,041	-45,135	1.0992	1.0541
GBP - Forward exchange contract	-	-	-	0.8793	+361	-7,436	0.8223	0.8562
HUF - Forward exchange contract	-25	-399,102	-315.0991	308.9700	-	-	-	-
CNY - Forward exchange contract	11	600	1.0712	7.7385	-	-	-	-
MYR - Forward exchange contract	-	-	-	4.8986	-	-	-	-
MXN - Forward exchange contract	-	-	-	20.5839	-	-	-	-
CLP - Forward exchange contract	-1	+457,707	762.8450	757.7700	-11	-332,157	-	707.8000
KRW - Forward exchange contract	+195	-	1,233.3015	1 304,5600	+139	-9,090,523	+1,265	1,369.3600
USD - Forward currency swap	+10,085	-361,122	1.1063	1.1412	-9,247	-283,300	1.0923	1.0541
GBP - Forward currency swap	+23	-49,600	0.8805	0.8793	-281	-36,824	0.8619	0.8562
CZK - Forward currency swap	-	-	-	26.1970	-	-	-	-
RUB - Forward currency swap	+138	-144,000	63.9410	67.5449	-263	-109,000	77.4600	64.3000
CNY - Forward currency swap	+235	-520,628	7.7559	7.7385	-601	-380,443	7.4766	7.3202
SEK - Forward currency swap	-	-	-	9.6398	+1	+642	9.7300	9.5525
JPY -Forward currency swap	-	+1,881	124.2660	127.7500	-13	+313,293	122.6700	123.4000
TOTAL	+10,335				-10,956			

5.2.6.2.2 Impact of unsettled foreign exchange hedges on income and equity

In thousands of euros	June 30, 2017	December 31, 2016
Effective component of hedging instruments related to derivatives portfolio (hedging of interest rates accruing over the period) ⁽¹⁾	21,857	-7,715
Reclassification in profit or loss of accumulated gains and losses following past restructurings	-566	-187
Total	21,291	-7,902

(1) See “Gains or losses on interest rate and currency hedges” in Note 4.6 “Net financial income”.
See also “Impact of hedging on the income statement” in Note 5.2.6.1.3

5.2.7. Operating and other liabilities

5.2.7.1 - Trade payables and other operating liabilities

In thousands of euros	June 30, 2017	December 31, 2016 adjusted	Adjustments	December 31, 2016 published
Trade payables	1,241,915	1,151,155	2,431	1,148,724
Due to suppliers of fixed assets	81,813	77,894		77,894
Total	1,323,728	1,229,049	2,431	1,226,618

5.2.7.2 - Other operating liabilities

In thousands of euros	June 30, 2017	December 31, 2016 adjusted	Adjustments	December 31, 2016 published
Accrued employee benefits expense	161,153	137,058		137,058
Accrued income taxes	39,212	31,837		31,837
Other accrued taxes ⁽¹⁾	142,438	113,068		113,068
Other payables	234,924	203,073	2,435	200,638
Customer prepayments	210,794	200,698		200,698
Total	788,521	685,734	2,435	683,299

(1) For the implementation of the Competitiveness and Employment Tax Credit-CICE for French entities, see in “Operations for the period”, in Note 2.5.

5.2.7.3 - Trade payables and other operating liabilities by currency

In thousands of currency units	Liabilities at June 30, 2017			December 31, 2016 adjusted	Adjustments	Liabilities at December 31, 2016 published		
	Local currency	Euro	%			Euro	Euro	Local currency
EUR Euro	1,137,215	1,137,215	54%	977,850	4,866	972,984	972,984	51%
USD US dollar	541,179	474,219	22%	437,946		461,639	437,946	23%
GBP Pound sterling	120,948	137,546	7%	144,036		123,321	144,036	8%
CNY Chinese yuan	818,411	105,758	5%	125,475		918,505	125,475	7%
BRL Brazilian real	183,697	48,855	2%	40,280		138,182	40,280	2%
Other Other currencies		208,656	10%	189,196			189,196	9%
Total		2,112,249	100%	1,914,783	4,866		1,909,917	100%
<i>Of which:</i>								
• Trade payables		1,323,728	63%	1,229,049	2,431		1,226,618	64%
• Other operating liabilities		788,521	37%	685,734	2,435		683,299	36%

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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 at June 30, 2017						December 31, 2016 adjusted	A djust ments	Sensitivity tests on liabilities at December 31, 2016					
	Basis		Increase – all currencies		Decrease – all currencies		Basis	Basis	Basis		Increase – all currencies		Decrease – all currencies	
			+10%	+20%	-10%	-20%					+10%	+20%	-10%	-20%
	Local currency	Conversion rate	%	%	%	%	Local currency	Local currency	Local currency	Conversion rate	%	%	%	%
EUR Euro	1,137,215	1.0000	51%	49%	56%	59%	977,850	4,866	972,984	1.0000	49%	46%	54%	56%
USD US dollar	541,179	0.8763	24%	25%	21%	20%	461,639		461,639	0.9487	24%	25%	22%	20%
GBP Pound sterling	120,948	1.1372	7%	7%	6%	6%	123,321		123,321	1.1680	8%	8%	7%	7%
CNY Chinese yuan	818,411	0.1292	5%	6%	5%	4%	918,505		918,505	0.1366	7%	7%	6%	6%
BRL Brazilian real	183,697	0.2660	2%	3%	2%	2%	138,182		138,182	0.2915	2%	2%	2%	2%
Other Other currencies			11%	10%	10%	9%					10%	12%	9%	9%
Total in euros		2,112,249	2,209,753	2,307,256	2,014,746	1,917,243	1,914,782	4,866		1,909,916	2,003,609	2,097,302	1,816,223	1,722,529
Of which:														
Trade payables		1,323,728	1,384,833	1,445,937	1,262,624	1,201,519	1,229,049	2,431		1,226,618	1,286,791	1,346,964	1,166,445	1,106,271
Other operating liabilities		788,521	824,920	861,319	752,122	715,724	685,734	2,435		683,299	716,818	750,338	649,778	616,258

Currency sensitivity tests on “Trade payables and other operating liabilities” and “Trade and other receivables” (See Note 5.1.8) indicate that net exchange rate sensitivity is not significant at June 30, 2017.

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, 2017 and at December 31, 2016, the gearing ratio was as follows:

In thousands of euros	June 30, 2017	December 31, 2016
Net debt ⁽¹⁾	621,703	799,945
Equity (including non-current government grants)	1,575,377	1,516,131
Gearing ratio	39.46%	52.76%

(1) See note 5.2.5.5 “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 liquidity account shows the following positions:

- at June 30, 2017:
 - 54,603 shares;
 - and €2,000,361.98 in cash.

- at December 31, 2016:
 - 25,032 shares;
 - and €2,925,457 in cash.

- at June 30, 2016:
 - 45,845 shares;
 - and €2,274,343.85 in cash.

6.2. Credit risk

Credit risk covers customer credit risk and bank counterparty risk.

6.2.1. Customer risk

At June 30, 2017, 9.2% of the Group's Trade receivables were past due, against 11.1% at December 31, 2016. Trade receivables break down as follows:

Ageing analysis of receivables:

At June 30, 2017

In thousands of euros	Total outstanding	Not yet due	Due and past due
Automotive	847,380	774,435	72,945
Environment	50,388	40,140	10,248
Unallocated items	10,216	10,216	-
Total	907,984	824,791	83,193

At December 31, 2016

In thousands of euros	Total adjusted outstanding	Adjustment	Total published outstanding	Not yet due	Due and past due
Automotive	765,477	-205	765,682	686,293	79,389
Environment	42,066		42,066	31,448	10,618
Unallocated items	1,876		1,876	1,847	29
Total	809,419	-205	809,624	719,588	90,036

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, 2017:

In thousands of euros	June 30, 2017	Less than 1 year	1 to 5 years	More than 5 years
Financial liabilities				
Non-current borrowings ⁽¹⁾	1,707,198	34,747	853,301	819,151
Bank overdrafts	9,762	9,762	-	-
Current borrowings ⁽²⁾	107,052	107,052	-	-
Other current debt	7	7	-	-
Hedging instruments	6,020	6,020	-	-
Trade payables	1,323,728	1,323,728	-	-
Total financial liabilities	3,153,768	1,481,316	853,301	819,151

At December 31, 2016 :

In thousands of euros	December 31, 2016 adjusted	Adjustments	December 31, 2016 published	Less than 1 year	1 to 5 years	More than 5 years
Financial liabilities						
Non-current borrowings ⁽¹⁾	1,230,968		1,230,968	28,497	890,667	311,805
Bank overdrafts	10,307		10,307	10,307	-	-
Current borrowings ⁽²⁾	174,117		174,117	174,117	-	-
Other current debt	5		5	5	-	-
Hedging instruments	17,870		17,870	17,870	-	-
Trade payables	1,229,049	2,431	1,226,618	1,226,618	-	-
Total financial liabilities	2,662,316	2,431	2,659,885	1,457,414	890,667	311,805

(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, 2016.

7.2. Consolidating entity

Burelle SA holds 59.02% of Compagnie Plastic Omnium after the impact of cancellation of Compagnie Plastic Omnium's treasury stock (57.01% prior to cancellation of treasury stock) and fully consolidates the Company.

Burelle SA – 19, Boulevard Jules Carteret
69342 Lyon Cedex 07

7.3. Subsequent events

No other event has occurred since June 30, 2017 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, 2017

Legal name	Sectors to present			June 30, 2017			December 31, 2016			June 30, 2016			Tax group
	Auto-motive	Environment	Un-affecte d	Method of Consolidation	% de control	% Interest	Method of Consolidation	% control	% Interest	Method of Consolidation	% control	% Interest	
France													
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_lfrs_2014	50	50	EM_lfrs_2014	50	50	EM_lfrs_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 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	e2016	*		EM_lfrs_2014	-	-	EM_lfrs_2014	-	-	EM_lfrs_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	h2016	*		FC	100	100	FC	100	100	FC	100	100	1 - a
MIXT COMPOSITES RECYCLABLES - MCR SAS	g2016	*		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
INERGY AUTOMOTIVE SYSTEMS INDUSTRIES SAS	d2016	*		FC	-	-	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY SERVICES SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO INERGY FRANCE SAS		*		FC	100	100	FC	100	100	FC	100	100	1 - a
South Africa													
PLASTIC OMNIUM AUTO INERGY SOUTH AFRICA (PROPRIETARY) Ltd		*		FC	100	100	FC	100	100	FC	100	100	

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Legal name	Sectors to present			June 30, 2017			December 31, 2016			June 30, 2016			Tax group
	Auto-motive	Environment	Un-affecte d	Method of Consolidation	% de control	% Interest	Method of Consolidation	% control	% Interest	Method of Consolidation	% control	% Interest	
Germany													
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 - a
PLASTIC OMNIUM AUTO INERGY GERMANY GmbH	*			FC	100	100	FC	100	100	FC	100	100	2 - b
HBPO BETEILIGUNGSGESELLSCHAFT GmbH	*			EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	
HBPO RASTATT GmbH	*			EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	
HBPO GERMANY GmbH	*			EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	
HBPO GmbH	*			EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	
PLASTIC OMNIUM ENVIRONNEMENT GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - a
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	d2016		*	FC	-	-	FC	100	100	FC	100	100	2 - a
SULO UMWELTECHNIK GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - a
SULO UMWELTECHNIK BETEILIGUNGS GmbH	e2016		*	FC	-	-	FC	100	100	FC	100	100	2 - a
SULO EMBALLAGEN GmbH	c2016		*	FC	-	-	FC	100	100	FC	100	100	2 - a
PLASTIC OMNIUM URBAN SYSTEMS GmbH	d2016		*	FC	-	-	FC	100	100	FC	100	100	2 - a
PLASTIC OMNIUM COMPOSITES GmbH	h2016	*		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_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	
HBPO REGENSBURG GmbH		*		EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	
SULO EA GmbH		*		FC	100	100	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM AUTOMOTIVE EXTERIORS GmbH	b2016	*		FC	100	100	FC	100	100	-	-	-	
Argentina													
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	
PLASTIC OMNIUM AUTOMOTIVE ARGENTINA	b2016	*		FC	100	100	FC	100	100	-	-	-	
Belgium													
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	
PLASTIC OMNIUM AUTOMOTIVE BELGIUM	b2016	*		FC	100	100	FC	100	100	-	-	-	
Brazil													
INERGY AUTOMOTIVE SYSTEMS DO BRAZIL 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_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	-	-	-	
PLASTIC OMNIUM AUTOMOTIVE DO BRASIL Ltda	b2016 d2016	*		FC	100	100	FC	100	100	FC	100	100	

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	Auto-motive	Environment	Un-affected	Method of Consolidation	% de control	% Interest	Method of Consolidation	% control	% Interest	Method of Consolidation	% control	% Interest	
Canada													
HBPO CANADA INC.	*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
Chile													
PLASTIC OMNIUM SA		*		FC	100	100	FC	100	100	FC	100	100	
China													
PLASTIC OMNIUM COMPOSITES (JIANGSU) Co. Ltd	g2016	*		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		*		MEE_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		*		EM_Ifrs_2014	49.95	49.95	EM_Ifrs_2014	49.95	49.95	-	-	-	
CHONGQING PLASTIC OMNIUM AUTO INERGY Co. Ltd		*		FC	100	100	FC	100	100	FC	100	100	
CHANGCHUN HUAZHONG YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIORS Co. Ltd	b2017 x2016d	*		EM_Ifrs_2014	24.98	24.98	-	-	-	-	-	-	
South Korea													
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-2017 Interim Report

Legal name	Sectors to present			June 30, 2017			December 31, 2016			June 30, 2016			Tax group
	Auto-motive	Environment	Un-affected	Method of Consolidation	% de control	% Interest	Method of Consolidation	% control	% Interest	Method of Consolidation	% control	% Interest	
Spain													
COMPANIA 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 ESPANA SA	*			FC	100	100	FC	100	100	FC	100	100	3
SIGNATURE SENALIZACION SA	e2016		*	-	-	-	FC	100	100	FC	100	100	3
HBPO AUTOMOTIVE SPAIN SL	*			EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	
PLASTIC OMNIUM COMPONENTES EXTERIORES SL	*			FC	100	100	FC	100	100	FC	100	100	3
PLASTIC OMNIUM AUTOMOTIVE ESPANA	b2016		*	FC	100	100	FC	100	100	-	-	-	
United States													
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	4
HBPO NORTH AMERICA Inc.	*			EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	
PLASTIC OMNIUM AUTOMOTIVE EXTERIORS LLC	b2016		*	FC	100	100	FC	100	100	-	-	-	4
Hungary													
HBPO MANUFACTURING HUNGARY Kft	*			EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	
HBPO AUTOMOTIVE HUNGARIA Kft	*			EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	
India													
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	
Israel													
POCellTech	b2016p		*	EM_lfrs_2014	50	20	EM_lfrs_2014	50	20	-	-	-	
Japan													
PLASTIC OMNIUM KK	*			FC	100	100	FC	100	100	FC	100	100	
HBPO JAPAN KK	*			EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	EM_lfrs_2014	33.33	33.33	

COMPAGNIE PLASTIC OMNIUM-2017 Interim Report

Legal name	Sectors to present			June 30, 2017			December 31, 2016			June 30, 2016			Tax group
	Auto-motive	Environment	Un-affected	Method Consolidation	% de control	% Interest	Method of Consolidation	% control	% Interest	Method of Consolidation	% control	% Interest	
Malaysia													
HICOM HBPO SDN BHD	*			EM.	13.33	13.33	EM	13.33	13.33	EM	13.33	13.33	
Morocco													
INERGY AUTOMOTIVE SYSTEMS (MOROCCO) SARL	*			FC	100	100	FC	100	100	FC	100	100	
Mexico													
PLASTIC OMNIUM AUTOMOVIL SA DE CV	d2016	*		-	-	-	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	
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	d2016	*		FC	100	100	FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV	x2016b g2016	*		FC	100	100	FC	100	100	FC	100	100	
INOPLASTIC OMNIUM INDUSTRIAL SA DE CV	d2016	*		-	-	-	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	
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	EM_ifrs_2014	33.33	33.33	-	-	-	
HBPO MANAGEMENT SERVICES MEXICO SA DE CV	a2016	*		EM_ifrs_2014	33.33	33.33	EM_ifrs_2014	33.33	33.33	-	-	-	
Netherlands													
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	
PLASTIC OMNIUM AUTO INERGY NETHERLANDS HOLDING BV	i2016	*		FC	100	100	FC	100	100	-	-	-	
Poland													
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-2017 Interim Report

Legal name	Sectors to present			June 30, 2017			December 31, 2016			June 30, 2016			Tax group
	Auto-motive	Environment	Un-affected	Method of Consolidation	% de control	% Interest	Method of Consolidation	% control	% Interest	Method of Consolidation	% control	% Interest	
<u>Czech republic</u>													
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	
<u>Romania</u>													
PLASTIC OMNIUM AUTO INERGY ROMANIA SRL	*			FC	100	100	FC	100	100	FC	100	100	
<u>United Kingdom</u>													
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		*	c2016	-	-	-	FC	100	100	FC	100	100	6
SULO MGB Ltd		*		FC	100	100	FC	100	100	FC	100	100	6
HBPO UK Ltd	*			EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	EM_Ifrs_2014	33.33	33.33	
<u>Russia</u>													
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	
<u>Singapore</u>													
SULO ENVIRONMENTAL SYSTEMS PTE Ltd		*		FC	100	100	FC	100	100	FC	100	100	
<u>Slovakia</u>													
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	
PLASTIC OMNIUM AUTOMOTIVE SLOVAKIA S.R.O	*		b2016	FC	100	100	FC	100	100	-	-	-	
<u>Sweden</u>													
PLASTIC OMNIUM AB		*		FC	100	100	FC	100	100	FC	100	100	
<u>Switzerland</u>													
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	
<u>Thailand</u>													
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	
<u>Turkey</u>													
B.P.O. AS	*			EM_Ifrs_2014	50	50	EM_Ifrs_2014	50	49.98	EM_Ifrs_2014	50	49.98	

Consolidation method and notes:

FC:	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 on January 1, 2014.

Movements during the period:

Creation of entities:

a2016	Companies acquired in 2016.
a2017	Companies acquired in 2017.

Acquisition of companies:

b2016	Companies acquired in 2016.
b2016p	Investments in 2016.
b2017	Companies acquired in 2017.

Disposal of entities:

c2016	Companies divested in 2016.
c2017	Companies divested in 2017.

Merging of entities:

d2016	Companies merged in 2016.
d2017	Companies merged in 2017.

Liquidation of entities:

e2016	Companies liquidated in 2016.
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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.
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Companies in the process of being sold:

g2016	Companies in the process of being sold in 2016 (and reclassified as "Assets and Liabilities held for sale"). New companies (Newco) are being created to host the business that will be sold during 2017.
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Companies where some sites are in the process of being sold:

h2016	Companies whose truck business was in the process of being sold in 2016 (and reclassified as "Assets and Liabilities held for sale")
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Activation of companies:

i2016	Companies activated during the fiscal year 2016.
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Change in company name:

x2016	Companies whose name was changed in 2016
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”.
x2016d	“Changchun Huazhong Yanfeng Plastic Omnium Automotive Exteriors Co. Ltd” is the new name for the company “Changchun Huaxiang Automotive Plastic Parts Manufacturing Co. Ltd”.

Tax group:

1 - a	Plastic Omnium France;
1 - b	Plastic Omnium France Holding Environment;
2 - a	Germany Urban Systems;
2 - b	Germany Plastic Omnium GmbH;
2 - c	Germany Plastic Omnium Environnement;
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

Compagnie Plastic Omnium

Period from January 1 to June 30, 2017

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

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General 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, 2017,
- 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.

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 20, 2017

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Juliette Decoux

Gilles Puissochet