2010

Financial Report

Contents

Management's Discussion and Analysis

As presented by the Board of Directors of Compagnie Plastic Omnium to shareholders at the Annual Meeting of 28 April 2011

Description of businesses

Plastic Omnium is a manufacturing and services company that partners with carmakers and local communities through its two core businesses: Automotive Equipment and Environment.

In **Automotive Equipment**, which accounted for 86% of 2010 revenue, the Company holds leadership positions in two business segments.

Plastic Omnium Auto Exterior is the world leader in exterior parts and modules. It designs and delivers a wide array of thermoplastic and composite parts and modules, bumpers and energy absorption systems, fender and front-end modules, and tailgates. Active in the body component segment, Plastic Omnium Auto Exterior designs customized, high value-added, multi-material solutions that can integrate a greater number of functions, while enhancing safety performance, making vehicles lighter and reducing carbon emissions.

Plastic Omnium Auto Inergy is the world's leading producer of plastic fuel systems. An integrated safety and emission-control product, the fuel system houses several functions, including the car's filler, storage, fuel level gauge, ventilation and engine supply systems.

Both businesses operate around the world, with 77 industrial facilities on four continents and more than 15,000 employees, and work with practically all global carmakers.

The **Environment** Division accounted for 14% of consolidated revenue. Pooling the expert capabilities of Plastic Omnium Urban Systems, Sulo and Signature, it has a comprehensive, integrated portfolio of products and services – including waste containers as well as data management, urban design and road signage solutions – that provide cities with the equipment they need, enhance the living environment, and make roads and highways safer.

The business operates mainly in Europe, with nearly 2,800 employees and 19 plants.

Research and development

An integral part of Plastic Omnium's long-term strategy, innovation supports the Company's performance and its reputation as a leader in automotive equipment and services for local communities.

In 2010, a total of €144 million was allocated for research and development, equivalent to 4.4% of revenue.

Nearly 1,000 engineers and technicians – 5.5% of the workforce – are employed worldwide in 14 R&D centers located near carmaker decision-making centers.

The Company manages a portfolio of 2,037 patents, of which 85 were filed in 2010.

In its Automotive Equipment businesses, Plastic Omnium focuses its research on solutions that reduce a motor vehicle's carbon footprint across its entire life cycle. These solutions involve using plastic, lightweight composites, and recycled or biotechnology-based materials; optimizing component design by integrating new functions that reduce carbon emissions; and designing automotive parts that can be easily disassembled and recycled at the end of their useful lives.

This research path has led to the development of new product lines, such as tailgates made entirely of thermoplastics or of thermoplastic/sheet-molding compounds and floor modules that can house EV batteries. In 2010, Plastic Omnium Auto Exterior developed a new-generation floor module made with sheet molding compound (SMC) composites.

Plastic Omnium Automotive can currently produce an array of exterior and structural components capable of reducing vehicle weight by 50 kg and carbon emissions by 6g per km.

Another research priority is to find solutions that protect pedestrians from head, hip and leg injuries.

Plastic Omnium Auto Inergy has also stepped up its effort to reduce hydrocarbon emissions – in particular nitrous oxide and carbon dioxide – with its TSBM™ and SCR-DINOx solutions. Twin sheet blow molding technology (TSBM™) helps reduce hydrocarbon emissions by integrating a large number of components into the fuel tank during the blow molding stage instead of welding them once the tank has been manufactured. The Selective Catalyst Reduction (SCR) system limits nitrous oxide emissions from diesel engines, thanks to a DINOx urea storage and release tank installed on the vehicle. The urea reacts with exhaust fumes to create water and non-polluting nitrogen.

In 2010, the Environment Division tripled its R&D staff, rolled out 100 new products and services and filed 32 new patents. Research programs focused on increasing the amount of recycled and "green" material used in production. Late in the year, Plastic Omnium Environment premiered the first wheeled bin manufactured entirely with plant-based polyethylene derived from sugarcane. The Division also strengthened its waste collection data management services with geo-positioning solutions and incentive-based invoicing systems to encourage users to sort their waste more effectively. It also launched the "Your City, Your Design" offering that allows municipalities to adapt waste containers and urban furniture to their own design specifications.

Year in Review

Buy-out of Inergy Automotive Systems

On 8 September 2010, Plastic Omnium increased its holding in Inergy Automotive Systems to 100% with the purchase of Solvay's 50% stake in the company for €270 million.

The world's leading manufacturer of fuel systems, Inergy Automotive Systems supplies fuel tanks for nearly one vehicle out of six from its 24 production plants in Europe (12), Asia (6), North America (3), South America (2) and South Africa (1). With 4,400 employees, Inergy generated revenue of €1.2 billion in 2010 with an operating margin similar to that of Plastic Omnium's Automotive Division.

The acquisition is in line with Plastic Omnium's automotive strategy of maintaining control over its industrial operations, while also developing in fast-growing regions, expanding the customer portfolio and strengthening its leadership in automobile emissions-control systems.

Acquisition of Peguform's Redondela-Vigo plant in Spain

In early September 2010, Plastic Omnium Auto Exterior acquired Germany-based Peguform's plant in Vigo, Spain for €26.5 million. The plant, which manufactures body components for the nearby PSA Peugeot Citroën production facility generated revenue of €39 million in 2010.

Following the acquisition, Plastic Omnium received sizeable orders for the future Citroën C4 Picasso and new mid-range models produced by PSA Peugeot Citroën that will increase the plant's revenue to €100 million in 2014.

Continuing to develop operations in fast-growing automobile-producing regions

Worldwide automobile production is expected to increase by 30% between 2010 and 2014. Most of this growth will come from increasingly affluent countries with still relatively few automobiles per capita, in particular China and India. Plastic Omnium's strategy is to support automobile manufacturers in these regions.

- **In China,** Plastic Omnium Auto Exterior and Plastic Omnium Auto Inergy now have twelve production facilities, with three more currently in construction. The Group also plans to reinforce its development resources in the country by opening a new R&D center. In 2010, China accounted for 6% of consolidated Automotive revenue.
- **In India,** the Plastic Omnium Varroc plant in Pune has been delivering bumpers for the Beat, General Motors' low-cost city car, since late 2009 and has five programs in the pipeline for Mahindra. Inergy began producing the fuel system for a low-cost Toyota vehicle at its Vellore plant in second-half 2010 and signed a partnership agreement with Suzuki-Maruti on 12 January 2010. As part of this joint venture, in which Inergy holds a majority stake, a new plant is being built to initially manufacture fuel tanks for the Swift, beginning in 2011.

Significant order intake

The automotive businesses continued to expand in the areas of emissions control and vehicle weight reduction, winning a large number of contracts for plastic automotive body components, new tailgates models and hybrid vehicle fuel tanks.

The year also saw the signature of major new contracts for the Environment Division's two main growth drivers – incentive-based invoicing systems and underground containers.

In the fast-growing underground container segment, Plastic Omnium was awarded a contract from the Greater Rouen Urban community to supply and install 3,700 underground and semi-underground containers. The contract is the largest of its kind ever signed in Europe.

Plastic Omnium Environment also strengthened its data management offer, signing a partnership in November 2010 with Orange intended to enhance its geo-positioning expertise. The

Division manages 13 incentive-based invoicing contracts for household waste collection services that cover nearly 500,000 people in France. The goal is to increase the number of customers to four million by 2014.

Accounting principles and methods

Accounting principles and methods are described in the appendices to the parent company and consolidated financial statements.

Risk Management

Operational risks

> Risk related to automobile programs

The automotive business depends on a wide range of factors, some of which are regional in nature, such as economic activity, carmaker production strategy, consumer access to credit and the regulatory environment. Moreover, since each automobile program is unique (brand, design, launch date, possibility a model not to be renewed, etc.), investment in a given program includes additional risk that can affect sales.

The Company's commitment to diversifying its businesses and increasing the number of automobile programs represents a key component of its strategic vision that significantly reduces exposure to geographic and other risks.

The Automotive Division has more than 30 customers in 25 countries, comprising nearly all global carmakers and serving different market segments with two distinct product families.

In terms of commitments, all new projects are subject to a highly detailed approval process. The largest projects must be authorized by the Company's Executive Management team. Once a project has been accepted, a structured operational and financial monitoring system is set up to track it.

> Supplier risk

Auto industry performance is based on an outstandingly efficient, tightly-managed supply chain involving closely relations with partners. Supplier accreditation for a given program is a lengthy process, making it difficult to change partners quickly in the event of an unexpected breakdown in the chain. For this reason, partner selection and monitoring are key success factors.

Consequently, all automotive suppliers must be accredited according to meticulously defined operational, financial and regional criteria.

In the Automotive Division, a panel of chosen suppliers is monitored each quarter on a recurring basis by the Purchasing Department, with the support of specialized agencies.

The Environment Division has more than one supplier for the most important materials. It also constantly monitors a number of major suppliers with support from corporate units and, as needed, from outside agencies.

Lastly, operating units are especially vigilant in this area. They focus on effectively anticipating and managing breakdowns in the supply chain that, while infrequent, can quickly become a problem.

> Information technology risk

The availability, integrity and confidentiality of information are a major concern of senior management.

To manage information provided by the Company, both internally and externally, the IT System Department ensures that systems set up in subsidiaries comply with its standards and the Technical Affairs unit plays a key role in guaranteeing compliance. The unit, which reports to the IT System Department, oversees all front office needs, back office applicative and technical architectures, network and telecommunication infrastructure, and operational and support systems.

The Department has also set up an Information System Security unit. In 2010, it revised its road map, which focuses on updating protection systems for external risks. A number of initiatives were launched during the year and the ongoing process of adapting systems to their environment will be pursued in 2011.

Industrial and environmental risks

> Health, Safety and Environment Risk

With regard to safety and the environment, Compagnie Plastic Omnium has introduced a policy that is described in the Sustainable Development section of the Annual Report. Deployed worldwide, this policy is based on a shared vision, a structured management system, regular reporting and an ongoing certification program.

It is managed by the Company's Executive Committee, which every month examines subsidiaries' performance based on data transmitted via the reporting system set up to help drive continuous improvement.

A dedicated organization comprised of front-line Health, Safety and Environment (HSE) facilitators is responsible for supporting and coordinating deployment. This network of experts is led by the Company's Safety and Environment Department, backed by safety and environment managers at Division level. However, overall responsibility for managing safety and environment risks lies with the Division senior executives.

Ongoing corrective and improvement action plans have been introduced and included in the programs to obtain

ISO 14001 and OHSAS 18001 certification for Plastic Omnium facilities. These action plans promote the wider use of best practices and include training in REACH legislation, ergonomics and man-machine interface procedures, as well as in tools for the Top Safety in-house program and equipment compliance upgrades.

The Company also has its own management system. Promoted by the Executive Committee, the system is based on four management roadmaps: leadership, motivation, competence and the search for excellence. Its deployment is being overseen by a specialized Environmental Safety Committee comprised of several Executive Committee members.

In 2010, OHSAS 18001 certification was renewed for the Company's system that centrally manages the safety of people and property.

> Quality Risk

With regard to product and process quality, the Divisions have implemented dedicated organizations and reliable processes whose robustness and effectiveness are systematically tested by certification procedures – ISO 9001 for the Environment Division and ISO/TS 16949 for the Automotive Division. These organizations and processes are aligned with systems that have been widely used in industry for many years, especially in the automotive sector.

Market risks

Compagnie Plastic Omnium operates a cash pooling system for subsidiaries organized around Plastic Omnium Finance, which manages liquidity, currency and interest rate risks on their behalf. The market risk hedging strategy, which involves entering into on- and off-balance sheet commitments, is approved every quarter by the Chairman and Chief Executive Officer.

> Liquidity risk

The Company must have 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 developments.

To meet this need, Compagnie Plastic Omnium and some of its subsidiaries have medium-term financial resources in the form of confirmed bank lines of credit that are not subject to any financial covenants. At 31 December 2010, the average maturity of these lines of credit was approximately three years. The Company also has programs of receivables sales with an average maturity of more than one year. At 31 December 2010, available medium-term facilities covered the Company's financing needs through 2013. Lastly, the Company has short-term lines of credit and a commercial paper program. All of the medium-term and short-term lines of credit are with leading banking institutions.

The consolidated cash position and the cash positions of the Divisions are monitored daily and a report is submitted once a week to the Chairman and Chief Executive Officer and the two Chief Operating Officers.

> Currency risk

Plastic Omnium operates mainly through plants that are located near its customers. As a result, exposure to currency risk is limited, except for the translation of the financial statements of foreign subsidiaries. While these risks may have an impact on certain importing subsidiaries, the amounts involved are not material in relation to the consolidated financial statements.

The Company's policy is to avoid any currency risk related to transactions involving a future payment or revenue. Nonetheless, if a transaction does give rise to a currency risk, it will be hedged by a forward currency contract. The hedge is set up by the subsidiary in question with Corporate Treasury, which in turn hedges the position with its banks.

> Interest rate risk

Interest rate hedges include swaps, caps and collars. Their purpose is to hedge variable rate debt against increases in the Euribor and Libor in order to keep interest costs down.

At 31 December 2010, 74% of borrowing in euros, which account for most of Compagnie Plastic Omnium debt, was hedged for periods of 2.5 to 4.5 years, using non-speculative financial instruments.

> Raw material price risk

Plastic Omnium's operations require large amounts of plastic, steel, paint and other raw materials.

Changes in raw material prices impact the Company's operating margin. To limit the risks of price fluctuations, Plastic Omnium negotiates price indexation clauses with customers or, failing that, regularly renegotiates selling prices. In addition, annual price commitments are included in contracts with suppliers. Lastly, inventories are managed to reduce the price impact as much as possible.

Legal risks

The Corporate Legal Affairs Department is supported as needed by local committees and a network of correspondents in the main countries. The Department helps operating and corporate units to prevent, anticipate and manage recurring and non-recurring business-related legal risks as well as claims and litigation.

> Intellectual property risk

Research and innovation underpin both the Automotive and Environment Divisions. To protect the Company against any appropriation of an invention or brand by a third party, the Legal Affairs Department, with the assistance of outside advisors and the support of the Research and

Development Departments, is responsible for filing, managing and defending the Company's intellectual property interests.

> Risks related to products and services sold by the Company

The Company is exposed to the risk of warranty and liability claims from customers in respect of the products it sells and services it provides. These risks fall into the area of contractual liability and are covered by special insurance policies.

The Company is also exposed to the risk of third-party product liability claims. These risks fall into the area of criminal liability and are covered by special insurance policies.

Given the Company's quality standards, product-related risks are considered as being effectively covered.

> Competition risk

To demonstrate the Company's commitment to complying with competition regulations, senior management launched the deployment of a compliance program in the Divisions based on the Compagnie Plastic Omnium Code of Conduct and supported by training sessions.

Other risks

> Customer credit risk

No Automotive Division customers defaulted on payment in 2010.

A number of late payments were again recorded for contracts with local authorities, particularly in Spain. However, initiatives were launched to reduce overdue customer receivables and the risk is minor given the diversity and nature of the customer base.

A Credit Manager is responsible for implementing structured credit and collection procedures within the Divisions. Days sales outstanding stood at 47 days in 2010. Senior management receives a detailed receivables ageing report for each subsidiary once a week. Receivables that are over six months past due amount to €10.9 million, or approximately 0.34% of revenue.

In all businesses, review procedures are carried out before bids are submitted, in particular to ensure a balanced portfolio of customer receivables, according to a target profile defined and monitored by Senior Management.

> Tax risk

The Corporate Tax Affairs Department is supported as needed by local committees and a network of correspondents in the main countries. The Department helps the various companies to meet their tax obligations and to carry out all recurring and non-recurring operations in which tax advice is needed.

A Group-wide tax reporting system has been introduced to centralize management of all deferred tax information and help speed up preparation of the consolidated financial statements. By providing the Corporate Tax Affairs Department with actual and estimated tax data, the system gives Senior Management the assurance that tax risks are closely monitored and appropriate tax planning strategies are applied.

Insurance and risk coverage

Compagnie Plastic Omnium has set up a worldwide insurance program for the benefit of all its companies, supported by local insurance policies taken out in the host countries. The program is intended to cover the main risks that can affect its operations, results or assets and includes:

- Property, casualty and business interruption insurance.
- Operating and product liability insurance.
- Environmental liability insurance.

The levels of cover and the insured amounts are appropriate for the types of risk insured and take into account conditions in the insurance market.

Remarks on consolidated revenue

Compagnie Plastic Omnium's **consolidated revenue** rose 32% in 2010 to €3,249.6 million.

Revenue reflects the acquisition of all outstanding shares of Inergy Automotive Systems as of 1 September 2010. On a pro forma basis, assuming Inergy Automotive Systems was fully consolidated as of 1 January 2010, revenue would have totaled €3.65 billion.

In addition, BPO, a Turkey-based manufacturer of automotive exterior components, was fully consolidated as from 1 January 2010, whereas the company was proportionally consolidated before that date.

The increase was 21% at constant scope of consolidation and 16.5% at constant scope of consolidation and exchange rates.

in € millions by business	Year		% change
	2009	2010	
Plastic Omnium Automotive	2,014.5	2,778.0	+37.9%
Plastic Omnium Environment	444.1	471.6	+6.2%
CONSOLIDATED REVENUE	2,458.6	3,249.6	+32.2%

in € millions and as a % of revenue by region	Year		Variation
	2009	2010	
France	729.8 *30%*	680.8 *21%*	-6.7%
Europe (excluding France)	971.3 *40%*	1,259.1 *39%*	+29.6%
North America	420.3 *17%*	712.6 *22%*	+ 69.5%
Asia	233.5 *9%*	421.3 *13%*	+80.4%
South America, Africa	103.7 *4%*	175.8 *5%*	+69.5%
CONSOLIDATED REVENUE	2,458.6 *100%*	3,249.6 *100%*	+32.2%

Plastic Omnium Automotive leveraged its international deployment model to increase revenue by 24% at constant scope of consolidation. This compares with a 23% increase in worldwide automobile production.

Sales in Western Europe gained 9% in 2010 and represented 44% of automotive revenue, as opposed to 56% in 2009.

Asia and South America now account for 21% of Automotive revenue, up from 16% in 2009. The division operates 26 plants in China, India, Thailand, Japan, South Korea, Brazil and Argentina, with four new production facilities to be added in 2011.

Despite a sharp 38% rebound in 2010, vehicle output in North America still lags behind pre-recession levels. The region, which represents an important growth driver, accounted for 26% of Division revenue, versus 21% in 2009.

PSA Peugeot Citroën and General Motors are Plastic Omnium's largest automotive customers, accounting for 17% of revenue each, followed by Volkswagen, BMW and Renault at 14% each.

Plastic Omnium Environment posted a 6% increase in revenue and continued to focus its development on three channels: urban landscape enhancement, with new orders for underground and semi-underground household waste containers; implementation of an incentive-based invoicing system for reducing waste; and the introduction of a new line of containers made entirely of plant-based materials. Division revenue totaled €472 million, of which 40% in France and 65% from contracts with local communities.

Gross profit totaled €494.1 million, compared with €329.1 million in 2009, a 50% increase that outpaced revenue growth. Gross margin stood at 15.2%, compared with 13.4% in 2009. Gross profit was lifted by lower production costs owing to the PO 2009 plan, in a business environment shaped by higher raw material prices.

Gross R&D spending rose by €34 million to €143.7 million, reflecting the upswing in business and deeper backlog. Net research and development costs (i.e. excluding capitalized development costs and amounts re-invoiced to customers) came to €64.9 million, or 2% of revenue, versus €44.2 million and 1.8% of revenue in 2009.

Selling expenses were kept under control at €56.1 million, compared with €53 million in 2009.

General and administrative expenses rose to €145.9 million in 2010, from €129.8 million in the previous year, but represented just 4.5% of revenue, versus 5.3% in 2009.

The PO 2009 cost-reduction plan sustainably lowered the cost base (excluding purchases and depreciation) by €100 million, resulting in **operating margin** before amortization of intangible assets recognized on business combinations totaling €227.2 million (7% of revenue), compared with €102.1 million and 4.2% in 2009.

By business, the change in operating margin was as follows:

(in € millions)	2009	2010
Plastic Omnium Automotive	78.1	201.4
% of Division revenue	*3.9%*	*7.2%*
Plastic Omnium Environment	24.0	25.8
% of Division revenue	*5.4%*	*5.5%*
TOTAL	102.1	227.2
% of total revenue	*4.2%*	*7.0%*

After €100 million in exceptional items and restructuring costs in 2008-2009, **other expenses** were held to €15.8 million in 2010. These included:

- Re-measurement of the 50% stake held in Inergy for a positive €18.8 million.
- €10.3 million in amortization of contractual customer relationships and re-measurement of inventories as part of the allocation of the Inergy acquisition price (full-year impact of €16 million)
- €24.3 million in asset impairments and provisions and expenses related to penalties and litigation.

Net finance costs totaled €27.2 million (0.8% of revenue), versus €25 million in 2009.

Plastic Omnium recorded a **tax expense** of €29.7 million in 2010 (compared with an expense of €8.2 million in 2009) for an effective tax rate of 16.2%.

Reflecting the sharp improvement in margins, **net profit** amounted to €150.7 million, compared with €31 million in 2009. **Earnings per share** stood at €8.68, compared with €1.74 in 2009.

Balance sheet

Funds from operations rose by 41% to €357 million, (11% of revenue) from €254 million (10.3% of revenue) in 2009.

Capitalized R&D and capital spending totaled €138 million and – at 4.2% of revenue – remained below the 5% forecast.

At a time of strong business growth, working capital requirement was reduced by €10 million.

Free cash flow amounted to €193 million, or 5.9% of revenue.

After €300 million in acquisitions in 2010, **net debt** stood at €538 million, less than at year-end 2008 (€560 million). It represented 87% of equity, compared with 92% at year-end 2009, and 1.3x pro forma EBITDA.

Outlook for 2011

Compagnie Plastic Omnium has acquired new resources to support its growth, with greater scope and profitability and an enhanced capacity to generate free cash flow.

The strategy of diligently controlling costs is being maintained and the breakeven point has been lowered for the long term.

Investments programs still focus on high-growth regions with six new plants scheduled to open in 2011 – three in China and one each in Brazil, Morocco and Poland – to ensure significant free cash flow.

Plastic Omnium will pursue its strategy of making targeted acquisitions in both its Automotive and Environment businesses while carefully managing debt. In normal industrial market conditions, 2011 is shaping up better than 2010.

Subsequent events

To the best of management's knowledge, no events have occurred since the year-end that would be likely to have a negative impact on the Group's business, financial position, results or assets.

Environmental and social information provided in compliance with article L.225-102-1 of the commerce code

(decree no. 2002-221 of 20 February 2002 and ministerial order of 30 April 2002)

Compagnie Plastic Omnium, which is listed on the NYSE Euronext Paris stock market, is a holding company that has no industrial operations or employees.

The environmental and social information below has been prepared based on the scope of consolidation used for the consolidated financial statements, with the same rules for consolidating subsidiaries. Because environmental data requires that a subsidiary be at least 50% owned, HBPO, which is proportionately consolidated at 33.33%, is not included.

Compared to 2009, the scope of consolidation for 2010 includes three new industrial facilities: two additional Plastic Omnium Auto Exterior plants in Spain and India and one Plastic Omnium Environment plant in the United Kingdom.

However, one automotive production facility in Europe was closed in 2010.

Moreover, two of the six Plastic Omnium Auto Exterior plants in China provided information only about safety performance and water, energy, raw material, paint and solvent consumption.

Environmental information

Plastic Omnium pursued the formalization of its environmental management system begun in 2001.

Environmental data management and reporting is based on the empowerment of everyone involved in the process of applying ISO 14001 standards, with responsibilities decentralized to each unit. Only the general strategy and the consolidation of raw site data are centralized.

Partners and suppliers are gradually being integrated into this general process.

The active involvement of senior management and the deployment of a Safety and Environmental Issues organization in 2002 led to further improvement in a number of indicators in 2010:

- Because of increased business activity in 2010, energy use ratios compared with the volume of materials processed continued to improve – as first noted in 2005 – following a crisis-related slowdown in 2009:
  - Electricity: 1.770 kWh/kg of materials processed in 2010 versus 2.034 in 2009, a reduction of 13%.
  - Gas: 0.768 kWh/kg of materials processed in 2010 versus 0.897 in 2009, a reduction of 14%.
- The ratio of greenhouse gas emissions to the volume of material processed amounted to 0.783kg CO_2/kg of material processed in 2010, versus 0.889 in 2009, a decrease of 12%.
- The percentage of final waste to the volume of material processed was reduced to 2.0% in 2010, from 2.1% in 2009, an improvement of 5%.
- In the area of safety, the year saw a further 26% improvement in the accident frequency rate with lost time, which declined to 4.16, from 5.61 in 2009 while the accident frequency rate with or without lost time improved by 22% to 10.61, from 13.70 in the previous year.

  This was the third consecutive year that the accident frequency rate with or without lost time declined by more than 20%. All of the figures include temporary workers.
- The accident severity rate (including temporary workers) improved considerably to 0.16 from 0.42 in 2009 (a high comparative because of a fatal accident at one of Plastic Omnium's Polish facilities in May 2009 taken into account on the basis of 6,000 days) but still 11% lower than in 2008 when the severity rate stood at 0.18.

The ISO 14001 accreditation program was pursued throughout the year, with 79 out of 85 sites certified at 31 December 2010, or 93% of the total (versus 72 sites out of 80 at year-end 2009).

An OHSAS 18001 certification program was launched in late 2005. As of 31 December 2010, a total of 66 facilities out of 82 had been certified, representing 80% of the scope of certification, compared with 59 out of 77 at year-end 2009.

Initially obtained in December 2006, OHSAS 18001 certification for the Company's system that centrally manages the safety of people and property was renewed in December 2010 after a follow-up audit detected no instances of non-compliance.

> Environmental Data

Environmental impacts

- Consumption of water, electricity and gas

		2008	2009	2010
Water in cu.m	Annual consumption	2,028,424	1,764,298	2,196,986
	Response rate in % of revenue covered	*98%*	*99%*	*99.85%*
Electricity in kWh	Annual consumption	527,360,631	501,563,316	598,750,059
	Response rate in % of revenue covered	*98%*	*99%*	*99.85%*
Gas in kWh	Annual consumption	258,698,971	221,199,377	259,756,904
	Response rate in % of revenue covered	*98%*	*99%*	*99.85%*

- Consumption of plastics

		2008	2009	2010
New plastic (in tonnes)	Annual consumption	214,705	169,133	241,681
	Response rate in % of revenue covered	*98%*	*99%*	*99.85%*
Recycled plastic (in tonnes)	Annual consumption	24,831	26,911	30,635
	Response rate in % of revenue covered	*98%*	*96%*	*99.85%*
Total plastic (in tonnes)	Annual consumption	239,536	196,044	272,316
	Response rate in % of revenue covered	*98%*	*99%*	*99.85%*

- Consumption of paints and solvents

		2008	2009	2010
Paints (in tonnes)	Annual consumption	4,588	5,017	7,203
	Response rate in % of revenue covered	*98%*	*99%*	*99.85%*
Solvents (in tonnes)	Annual consumption	4,997	3,764	4,946
	Response rate in % of revenue covered	*98%*	*99%*	*99.85%*
Paints and solvents (in tonnes)	Annual consumption	9,585	8,781	12,149
	Response rate in % of revenue covered	*98%*	*99%*	*99.85%*

- Atmospheric releases

Volatile organic compounds (VOCs)

	2008	2009	2010
VOCs (in tonnes of carbon equivalent)	1,855	1,274	1,528
% of revenue covered by concerned facilities	*98%*	*96%*	*99.38%*

Greenhouse gases

	2008	2009	2010
Greenhouse gases (in tonnes)	214,080	219,158	264,850
% of revenue covered by concerned facilities	*98%*	*99%*	*99.85%*

These figures correspond to CO_2 emissions from energy consumed in industrial facilities.
(source of emission factors used: International Energy Agency, 2007 data).

- Waste

		2008	2009	2010
Recycled (in tonnes)	Annual volume of waste	16,105	21,103	31,281
	Response rate in % of revenue covered	*98%*	*96%*	*99.38%*
Reused (in tonnes)	Annual volume of waste	11,618	7,975	6,422
	Response rate in % of revenue covered	*98%*	*99%*	*99.38%*
Final waste (in tonnes)	Annual volume of waste	8,553	5,253	6,727
	Response rate in % of revenue covered	*98%*	*99%*	*99.38%*
Total (in tonnes)	Annual volume of waste	36,276	34,331	44,430
	Response rate in % of revenue covered	*98%*	*99%*	*99.38%*

 - Total cost of waste processing: €3.3 million (on sites that contribute 99.38% of consolidated revenue).
 - Income generated by recycling: €4.1 million (on sites that contribute 99.20% of consolidated revenue).
- Used of recycled materials in 2010:
 - Consumption of recycled plastic: 30,635 tonnes.
 - Plastic Recycling, a subsidiary equally owned with CFF Recycling, regenerated 8,896 tonnes of plastic during the year.

Certification

The scope of certification covers all production sites in which Compagnie Plastic Omnium holds at least a 50% share.

Forward supplier facilities are included in the certification of the production sites to which they belong.

- ISO 14001:

  79 of 85 sites are now certified to ISO 14001 standards. This represents 93% of the scope of certification.

  Plastic Omnium regularly acquires and/or builds new plants. As a result, the objective of 94% certification for 2010 was partially achieved. The new facilities are, however, involved in this process.

  The objective for 2011 is 92% (because of a larger scope of certification).

- OHSAS 18001:

  66 of 82 sites are now certified to ISO 18001 standards. This represents 80% of the scope of certification.

  For the same reasons as for ISO 14001 certification, the objective of 87% set for 2010 was not achieved. However, all facilities are involved in the process.

  The target for 2011 is to obtain certification for 89% of all sites.

  Moreover, OHSAS 18001 certification for the Company's system that centrally manages the safety of people and property (initially obtained in December 2006) was renewed in December 2010 after a follow-up audit detected no instances of non-compliance.

Organization

The Safety and Environmental Issues organization created in 2001 is supported by:

- A Group Safety Issues Director, who implements the HSE strategy defined by the Executive Committee and leads and coordinates action plans related to the Safety Management System.
- An Environmental network and a Safety network with dedicated correspondents in each operating unit.
- The integration of safety performance goals in individual objectives.
- Monthly reporting of the main safety and environmental indicators, which are discussed, along with financial indicators, at each Executive Committee meeting.

Safety and Environmental Training

- Information/awareness: 12,767 hours for 9,363 participants (on sites that contribute 99.38% of consolidated revenue).
- Training: 48,989 hours for 10,856 participants (on sites that contribute 99.38% of consolidated revenue).
- Deployment of the Top Safety training program continued in 2010. Introduced in 2005, it is designed to instill a culture of safety that, over the long term, will help the Company create an accident-free workplace.

  Personnel from industrial facilities in Europe, the United States, Mexico and South America participated in various programs. In all, 457 managers have received training and 8,056 people have taken part in information/awareness sessions.

- In 2008, Plastic Omnium introduced an ambitious HSE plan for 2012. Based on a four-year action plan, the plan reflects the Company's commitment to strengthening protection of people and property and to minimizing the environmental impact of its operations.

Environmental spending and investment

- Research and development: €144 million, or 4.4% of consolidated revenue.
- Environmental and Safety spending: €5.5 million (on sites that contribute 99.38% of consolidated revenue).
- R&D and capital spending: €138 million.
- Dedicated Environmental and Safety investments: €3.5 million (on sites that contribute 99.38% of consolidated revenue).
- Provisions for environmental risks: €0.8 million (on sites that contribute 99.38% of consolidated revenue).
- No products are made using asbestos.

Differences in the number of sites, the allocation base and the response rate between 2009 and 2010 had a slight influence on changes in indicators.

Safety data

Safety indicators (including temporary workers)

	2008	2009	2010
Number of first aid cases	2,548	1,658	1,987
Number of accidents without lost time	360	219*	211
Number of accidents with lost time	219	152*	136
Number of days of accident-related lost time	5,806	11,503**	5,224

Accident frequency and severity rates (including temporary workers)

	2008	2009	2010
Accident frequency rate with lost time *Number of accidents per million hours worked*	6.83	5.61*	4.16
Accident frequency rate with and without lost time *Number of accidents per million hours worked*	18.06	13.70*	10.61
Accident severity rate *Number of days of accident-related lost time per 1,000 hours worked*	0.18	0.42* and **	0.16

Accident frequency and severity rates (excluding temporary workers)

	2008	2009	2010
Accident frequency rate with lost time *Number of accidents per million hours worked*	5.90	5.25*	3.77
Accident frequency rate with and without lost time *Number of accidents per million hours worked*	16.27	13.08*	10.11
Accident severity rate *Number of days of accident-related lost time per 1,000 hours worked*	0.19	0.46**	0.18

** Two accidents with lost time and one accident without lost time were retroactively removed from the 2009 list following the 2010 refusal of local health insurance authorities (CPAM) to provide coverage for these incidents.*
*** Includes a fatal accident at one of Plastic Omnium's Polish facilities in May 2009 taken into account on the basis of 6,000 days.*

The figures directly reflect the impact of actions undertaken over the past eight years to improve workplace safety.

Social information

Plastic Omnium is committed to hiring the best people in all its businesses and to deploying efficient management processes to secure their loyalty and personal fulfillment.

The organization is driven largely by management-by-project techniques, both in development activities and in each plant's self-managing production units.

While consistently maintaining an international corporate culture, Plastic Omnium encourages local management and the resolution of problems at the level where they arise. The Group complies with local legislation and seeks to reach consensual agreements with employee representatives, who are present at all operating levels.

At year-end 2010, the Company had 17,948 employees, of which 69% outside France.

Social information:

2010 consolidated financial data

(in € millions)	2009	2010
Wages, salaries and benefits	354.5	409.4
Employer payroll taxes	105.6	121.6
Statutory profit sharing	8.5	12.1
Pension obligations	(2.6)	(1.2)
Share-based compensation	2.1	2.5
Other personnel expenses	10.7	10.7
Personnel expenses excl. temporary workers	**478.8**	**555.1**
Temporary worker salaries and payroll taxes	25.5	51.0
TOTAL	504.3	606.1

Other data

The following information includes all Company businesses.

	2008	2009	2010
Employees at 31 December	13,099	12,433	15,674
Permanent employment contracts	12,038	11,317	13,976
Fixed-term employment contracts	1,061	1,116	1,698
Men	10,085	9,618	12,296
Women	3,014	2,815	3,378
Operators	6,946	6,903	8,958
Employees, engineers and supervisors	3,923	3,433	4,185
Managers	2,230	2,097	2,531
Terminations during the year			
Redundancies	472	815	203
Terminations for other reasons	420	283	394
Total terminations	892	1,098	597
Overtime			
Hours worked per week: 35 to 48 depending on the country Overtime (full-time equivalent)	231	239	550
Temporary workers			
Temporary workers, full-time equivalent	1,656	998	2,251
Temporary workers at year-end	738	1,305	2,274
Total employees working in shifts			
Total employees working in shifts	6,478	5,817	7,581
Of which employees working only nights	997	630	956
Of which employees working only weekends	57	29	59
Part-time employees	327	293	350
Absenteeism and reasons *(% of hours worked)*			
Absenteeism rate due to industrial accidents	0.16%	0.14%	0.13%
Absenteeism rate due to other causes	2.71%	2.86%	2.96%
Total absenteeism rate	2.87%	3.00%	3.10%
Gender equality			
Number of women managers at 31 December	395	366	455
Number of women managers hired during the year	54	28	46
Employee relations			
Number of works councils	150	138	153
Other committees (training/suggestions)	42	39	62
Number of unions represented	31	29	30
Number of agreements signed during the year	95	121	96
Training			
Number of employees who received training	28,382	15,491	21,027
Number of sessions per employee per year	2.26	1.25	1.34
Total expenditure on outside training *(in € thousands)*	3,158	2,010	3,062
Total training hours	231,366	183,277	277,497
Training hours per year per employee	18.4	14.73	17.70
Disabled employees			
Number of disabled workers	230	192	253
Employee welfare programs (France only)			
Total contribution to works council employee welfare programs *(in € thousands)*	1,557	1,417	1,509

Financial review of Compagnie Plastic Omnium

Accounting principles and policies

Compagnie Plastic Omnium's financial statements have been prepared in accordance with France's Plan Comptable Général, based on standard CRC 99-03, as amended by the standards issued by the Comité de la Réglementation Comptable and the Autorité des Normes Comptables.

There were no changes in accounting policies in 2010 compared with 2009.

For more detailed information, please refer to the paragraph on "Accounting principles and policies" in the notes to the 2010 Company financial statements.

Earnings performance

Compagnie Plastic Omnium reported total operating revenue of €22.1 million in 2010, versus €16.3 million the previous year. The 2010 figure consisted mainly of:

- €14 million in trademark license fees received from subsidiaries;
- €7.7 million in billings to subsidiaries of costs incurred on their behalf.

The Company ended the year with an operating loss of €4.3 million, compared with an operating profit of €1.2 million in 2009.

Net interest income came to €96.9 million compared with €76.8 million the year before, reflecting the net impact of:

- €20.1 million in net reversals of provisions for impairment and financial risks on shares in subsidiaries and affiliates, versus €36.9 million in 2009;
- €82.6 million in dividends received from subsidiaries, up from €42.9 million in 2009;
- a €4.0 million foreign exchange loss, versus €2.6 million the year before;
- €1.8 million in net interest expense on borrowings, unchanged from 2009;
- the absence of any other financial income, versus income of €1.3 million in 2009.

Taking into account net non-operating income of €0.1 million, income before tax amounted to €92.5 million versus €79.2 million in 2009.

The Company recorded a net income tax benefit of €15.4 million in 2010 compared with €11.7 million the previous year.

As a result, net income for the year came to €108 million versus €90.9 million in 2009.

No non-deductible overhead expenses were added back to taxable income in application of Articles 223 *quater* and 223 *quinquies* of the French General Tax Code.

Balance sheet structure

Compagnie Plastic Omnium ended 2010 with net debt of €175.5 million, compared with net cash of €6.2 million at 31 December 2009. The swing to net debt primarily reflected the acquisition of Inergy Automotive Systems for €207 million, the purchase of new shares issued by Plastic Omnium GmbH for €48 million and the payment of €11.3 million in dividends, offset by the €82.6 million in dividends received from subsidiaries (versus €42.9 million in 2009).

Certain information has been omitted from the "Subsidiaries and Affiliates" table, for reasons of confidentiality.

Acquisitions of controlling interests

Over the past year, your Company increased its stake in Inergy Automotive Systems SA to a controlling 76.8% from 26.8%, by acquiring the 50% interest previously owned by Solvay for €207 million.

Corporate officers' compensation

In accordance with article L. 225-102.1 of the French Commercial Code and the AFEP-MEDEF recommendations issued in December 2008, the total compensation and benefits in kind paid to each of Plastic Omnium's corporate officers in 2010 is presented in the tables below.

1. Gross compensation paid and stock options and performance shares granted to executive directors

Laurent Burelle Chairman and Chief Executive Officer		
(in euros)	2009	2010
Compensation due in respect of the year *(see details in table 2 below)*	1,808,734	2,808,039
Value of stock options granted during the year *(see details in table 4 below)*	0	1,280,000
Value of performance shares granted during the year *(see details in table 6 below)*	0	0
TOTAL	1,808,734	4,088,039

Paul Henry Lemarié Director and Chief Operating Officer		
(in euros)	2009	2010
Compensation due in respect of the year *(see details in table 2 below)*	1,151,017	1,454,746
Value of stock options granted during the year *(see details in table 4 below)*	0	768,000
Value of performance shares granted during the year *(see details in table 6 below)*	0	0
TOTAL	1,151,017	2,222,746

Jean-Michel Szczerba Chief Operating Officer *(since 16 March 2010)*	
(in euros)	2010
Compensation due in respect of the year *(see details in table 2 below)*	779,699
Value of stock options granted during the year *(see details in table 4 below)*	1,024,000
Value of performance shares granted during the year *(see details in table 6 below)*	0
TOTAL	1,803,699

2. Gross compensation paid to executive directors

Laurent Burelle Chairman and Chief Executive Officer	2009		2010	
(in euros)	Amount due	Amount paid	Amount due	Amount paid
• Salary [1]	78,446	78,446	80,589	80,589
• Bonus [1] [2]	1,613,826	1,612,591	2,609,012	1,845,239
• Exceptional compensation	0	0	0	0
• Directors fees	116,462	116,462	118,438	118,438
• Benefits in kind	Company car		Company car	
TOTAL	1,808,734	1,807,499	2,808,039	2,044,266

Paul Henry Lemarié Director and Chief Operating Officer	2009		2010	
(in euros)	Amount due	Amount paid	Amount due	Amount paid
• Salary [1]	78,446	78,446	80,589	80,589
• Bonus [1] [2]	1,006,375	1,005,604	1,304,506	1,002,700
• Exceptional compensation	0	0	0	0
• Directors fees	66,196	66,196	69,651	69,651
• Benefits in kind	Company car		Company car	
TOTAL	1,151,017	1,150,246	1,454,746	1,152,940

(1) Paid by Burelle SA.
(2) Burelle SA pays gross compensation to executive directors for their management services, which is billed on to Compagnie Plastic Omnium and its subsidiaries and calculated based on the estimated time spent by each director on business relating to the Plastic Omnium Group. Directors' bonuses are paid by Burelle SA and determined based on the Burelle Group's operating cash flow after interest and tax.

Jean-Michel Szczerba Chief Operating Officer	2010	
(in euros)	Amount due	Amount paid
• Salary	619,699	619,699
• Bonus	150,000	150,000
• Exceptional compensation	0	0
• Directors fees	10,000	10,000
• Benefits in kind		Company car
TOTAL	779,699	779,699

In accordance with article L. 225-102-1 of the French Commercial Code, the compensation paid by Burelle SA to Compagnie Plastic Omnium's corporate officers in 2010 and the portion billed on to Compagnie Plastic Omnium for management services are presented in the table below:

(in euros)	Gross compensation paid by Burelle SA in 2010	Of which bonus	Amount billed on to the Plastic Omnium Group in 2010	Of which bonus
Laurent Burelle	1,946,272	1,845,239	1,463,629	1,402,381
Paul Henry Lemarié	1,103,733	1,002,700	541,644	501,350
Jean Burelle	1,112,883	1,002,700	270,822	250,675
Jean-Michel Szczerba	0	0	0	0

3. Directors fees

> 3.1. Paid by Compagnie Plastic Omnium

Director *(in euros)*	Directors fees paid in 2009	Directors fees paid in 2010
Laurent Burelle	21,969	23,807
Paul Henry Lemarié	16,369	18,207
Jean Burelle	16,369	16,907
Éliane Lemarié	15,069	18,207
Pierre Burelle	11,169	–
Laurence Danon	18,969	10,187
Jean-Pierre Ergas	18,969	19,507
Thierry de la Tour d'Artaise	15,069	15,607
Jérôme Gallot	16,369	20,807
Francis Gavois	18,969	20,807
Vincent Labruyère	20,569	22,407
Alain Mérieux	15,069	15,607
Bernd Gottschalk	15,069	16,907
Anne-Marie Couderc	–	8,019
TOTAL	220,000	226,983

At its 16 March 2010 meeting, the Board allocated the aggregate amount of directors' fees as follows:

- Chairman: €2,700 per Board meeting
- Directors: €1,300 per Board meeting
- Chairman of the Audit Committee: €2,100 per Committee meeting
- Member of the Audit Committee: €1,300 per Committee meeting
- Balance allocated proportionately among all of the directors.

> 3.2. Paid by Compagnie Plastic Omnium subsidiaries and Burelle SA

Corporate Officer *(in euros)*	Directors fees paid in 2009	Directors fees paid in 2010
Laurent Burelle	94,493	94,631
Paul Henry Lemarié	49,827	51,444
Jean Burelle	70,243	72,781
Jean-Michel Szczerba	–	10,000
TOTAL	214,563	228,856

4. Stock options granted to executive directors during the year

Name and position	Number of options granted during the year	Plan date	Option to purchase new or existing shares	Value of options using the method applied in the consolidated financial statements	Exercise price	Exercise period
Laurent Burelle Chairman and Chief Executive Officer	50,000	April 2010	New shares	1,280,000	25.60	April 2014 to March 2017
Paul Henry Lemarié Director – Chief Operating Officer	30,000	April 2010	New shares	768,000	25.60	April 2014 to March 2017
Jean-Michel Szczerba Chief Operating Officer	40,000	April 2010	New shares	1,024,000	25.60	April 2014 to March 2017

5. Stock options exercised by executive directors during the year

Name and position	Plan date	Number of options exercised during the year	Exercise price
Laurent Burelle Chairman and Chief Executive Officer	2005	263	€21.15
Paul Henry Lemarié Director – Chief Operating Officer	2003 2005	6,000 36,000	€27.06 €21.15
Jean-Michel Szczerba Chief Operating Officer	2003 2005	22,500 16,000	€27.06 €21.15

6. Performance shares granted to executive directors

Name and position	Performance shares granted during the year by the issuer and any other Group company	Plan date	Number of shares that vested during the year	Value of the shares using the method applied in the consolidated financial statements	Vesting date	End of lock-up period
Laurent Burelle Chairman and Chief Executive Officer	0	–	–	–	–	–
Paul Henry Lemarié Director – Chief Operating Officer	0	–	–	–	–	–
Jean-Michel Szczerba Chief Operating Officer	0	–	–	–	–	–

7. Performance shares granted to executive directors that exited the lock-up period during the year

Name and position	Performance shares no longer subject to a lock-up period	Plan date	Number of shares that exited the lock-up period during the year	Vesting conditions
Laurent Burelle Chairman and Chief Executive Officer	0	–	–	–
Paul Henry Lemarié Director – Chief Operating Officer	0	–	–	–
Jean-Michel Szczerba Chief Operating Officer	0	–	–	–

In 2003, the Board of Directors of Compagnie Plastic Omnium decided to set up a supplementary pension plan for the members of the Company's Executive Committee. Under this plan, beneficiaries receive a guaranteed pension equal to 1% of the average of the compensation paid to them during the five years preceding their retirement, for every year worked with the company, subject to a ceiling of 10% of their current salary. The entitlement to this pension is conditional on the beneficiary having at least seven years' seniority within the Group. The Board of Directors of Burelle SA approved a similar plan in the same year for its salaried executive directors. The Group's total obligation under the defined benefit plan stood at €307,000 at 31 December 2010. The other retirement schemes for executive directors are the same as those for the Group's other managerial employees.

Share capital

At 31 December 2010, the Company's share capital amounted to €8,822,299.50, unchanged from year-end 2009 and represented by 17,644,599 common shares with a par value of €0.50 each.

Ownership structure

At 31 December 2010, 54.74% of the capital of Compagnie Plastic Omnium was held by Burelle SA. To the best of the Company's knowledge, no other shareholder owns 5% or more of the capital.

At 31 December 2010, the 1,533 members of the employee stock ownership plan set up in January 1997 held 331,825 Compagnie Plastic Omnium shares purchased on the market, representing 1.88% of the Company's capital. Employees do not hold any other shares under the employee stock ownership provisions of Articles L. 225-129 and L. 225-138 of the Commercial Code. In addition, no employee profit shares have been reinvested in Company stock.

Stock option plans

Compagnie Plastic Omnium has set up a number of stock option plans, whose characteristics were as follows at 31 December 2010:

Shareholders' Meeting / Board of Directors meeting	Type of option	Original exercise price (in €)	Number of grantees	Number of options granted	After the six-for-one stock split: Exercise price (in €)	After the six-for-one stock split: Number of options granted	After the six-for-one stock split: Options exercised or forfeited in 2010
16 May 2002	Purchase of existing shares	81.18	15	60,000	13.53	360,000	58,500
14 May 2003							
22 April 2004	Purchase of existing shares	42.30	54	118,500	21.15	237,000	107,014
11 March 2005							
28 April 2005	Purchase of existing shares	34.90	11	267,000	34.90	267,000	7,000
25 April 2006							
24 April 2007	Purchase of existing shares	39.38	65	330,000	39.38	330,000	5,200
24 July 2007							
24 April 2008	Purchase of existing shares	26.51	39	350,000	26.51	350,000	–
22 July 2008							
28 April 2009	Purchase of existing shares	25.60	124	375,000	25.60	375,000	3,500
16 March 2010							

These options were granted to employees and officers of Compagnie Plastic Omnium and its subsidiaries and affiliates. They may not be exercised until the end of a minimum holding period, as required under French tax rules. The exercise prices were set in accordance with Articles L. 225-177 and L. 225-179 of the French Commercial Code, without any discount.

Double voting rights

Other than the double voting rights described below no other preferential rights are attached to any particular class of shares or category of shareholders.

All fully paid-up shares registered in the name of the same holder for at least two years carry double voting rights. Double voting rights are not lost and the two-year qualifying period continues to run if the shares are transferred (i) as part of the intestate estate of a deceased shareholder, or (ii) in connection with an inter vivos gift to a spouse or a relative in the direct line of succession.

In the event of a bonus share issue paid up by capitalizing retained earnings, income or additional paid-in capital, the bonus shares allotted in respect of registered shares carrying double voting rights will also carry double voting rights as from the date of issue.

The double voting rights cease if the shares are converted to bearer shares or transferred to another shareholder, except in the case of inheritance or an inter vivos gift to a spouse or other person of an eligible degree of relationship.

At 31 December 2010, a total of 9,991,143 of the Company's shares carried double voting rights, excluding treasury shares.

Agreements concerning a change in control of the Company

At the date of filing, to the best of Compagnie Plastic Omnium's knowledge, none of the capital of any member of the Group is under option or agreed conditionally or unconditionally to be put under option, and there are no agreements in force that could lead to a change in control of the Company.

Share buyback program

1. Portfolio at 31 December 2010

At 31 December 2010, Compagnie Plastic Omnium held 1,479,585 of its own shares, representing 8.39% of the Company's capital. During the year, 486,849 shares were acquired at an average price of €36.91 and 483,510 shares were sold at an average price of €34.70.

Except for the shares acquired for allocation on exercise of stock options, the share transactions were carried out using the authorization given at the Annual Shareholders' Meeting of 28 April 2009 and renewed at the Annual Shareholders' Meeting of 29 April 2010, in application of article 225-209 of the French Commercial Code. They were carried out for the following purposes:

- maintaining a liquid market for the Company's shares under a liquidity contract with an investment firm that complies with the Code of Ethics issued by the French Association of Investment Firms (AFEI);
- buying back shares for cancellation in order to increase earnings per share;
- acquiring shares for allocation on exercise of employee and management stock options;
- acquiring shares for allocation under stock grants made to Group employees or officers;
- purchasing shares to be held in treasury for subsequent delivery in exchange or payment for stock in another company.

Company shares held at 31 December 2010 break down as follows, taking into account the stock splits carried out in 2003 and 2005:

Purpose	Number of shares held	Number of options outstanding
Allocation on exercise of the 11 March 2005 stock option plan	99,386	99,386
Allocation on exercise of the 25 April 2006 stock option plan	247,000	247,000
Allocation on exercise of the 24 July 2007 stock option plan	298,000	298,000
Allocation on exercise of the 22 July 2008 stock option plan	340,800	340,800
Allocation on exercise of the 16 March 2010 stock option plan	371,500	371,500
Allocation on exercise of future stock option plans	89,455	–
Maintaining a liquid market	3,444	
Held for payment or exchange for stock in another company	30,000	

2. Share buybacks carried out in 2010

In 2010, the Company purchased 486,849 of its own shares for an aggregate €17,969,054, or an average €36.91 per share.

Between 29 April and 31 December 2010, the Company purchased 342,706 shares for a total of €14,124,847, or an average €41.22 per share, of which 312,706 shares under the liquidity contract and 30,000 shares for other purposes. Over the same period, the Company sold 323,404 shares under the liquidity contract, for total proceeds of €12,891,761 or €39.86 per share.

Between 1 January and 28 February 2011, the Company purchased 108,071 shares for a total of €6,133,941, or an average €56.76 per share, of which 58,071 shares under the liquidity contract and 50,000 shares for other purposes. Over the same period, the Company sold 47,423 shares under the liquidity contract, for total proceeds of €2,703,956 or €57.02 per share.

The following table summarizes the share buybacks carried out in 2010 and how the repurchased shares were used.

Date of shareholder authorization	28 April 2009 (6th resolution)	29 April 2010 (6th resolution)
Maximum number of shares that may be purchased	10% of the share capital at 28 April 2009, or 1,814,680 shares, for a maximum of €63,513,800	10% of the share capital at 29 April 2010, or 1,764,460 shares, for a maximum of €105,867,600
Maximum price per share	€35	€60
Authorized purposes	Cancellation; stock options; stock grants; maintaining a liquid market; acquisitions	Cancellation; stock options; stock grants; maintaining a liquid market; acquisitions
Board of Directors meeting approving the buybacks	16 March 2010	15 March 2011
Purpose of the buybacks	Maintaining a liquid market	Payment of acquisitions and maintaining a liquid market
Buyback period	1 January to 28 April 2010	29 April to 31 December 2010
Number of shares purchased	144,143	342,706
Average price per share	€26.67	€41.22
Use	**Cancellation: none Other: 144,143**	**Cancellation: none Other: 342,706**

3. Treasury stock transactions carried out by the Company in 2010

Percentage of Company shares held directly or indirectly in treasury at 31 December 2010 of which:	8.39%
• Allocated to existing stock option plans	7.7 %
• Intended to be cancelled	None
Number of shares cancelled over the past 24 months	502,195
Number of own shares held in treasury	1,479,585
Carrying amount of treasury shares at 31 December 2010	€29,607,641
Market value of treasury shares at 31 December 2010	**€78,418,005**

	Aggregate inflows and outflows		
	Purchases	Sales	Exercised stock options
Number of shares	486,849	483,510	168,714
Average price	€36.91	€34.70	–
Average exercise price	–	–	€18.76
Amounts	€17,969,054	€16,776,997	€3,165,423

Report of the Board of Directors on the resolutions submitted to the Annual Shareholders' Meeting of 28 April 2011

Report of the Board of Directors on resolutions submitted to the Ordinary Shareholders' Meeting

> Approval of the Company's transactions and annual financial statements for the year ended 31 December 2010 (1st resolution)

Under the 1st resolution, the shareholders are asked to approve the Company's financial statements for the year ended 31 December 2010. Net income for 2010 amounts to €107,967,337.

> Appropriation of 2010 net profit and recommended dividend (2nd resolution)

The purpose of the 2nd resolution is to appropriate net income and declare the dividend for fiscal year 2010.

Note that the Company held 1,564,317 treasury shares on 12 May 2010, the 2009 dividend payment date, and the corresponding dividends amounting to €1,095,022 were transferred to retained earnings.

We are proposing the following appropriation of the year's net profit of €107,967,337 and retained earnings of €232,197,780:

(in euros)	
2010 net income	107,967,337
Transfer to the statutory reserve	505,487
Net income for the period after transfer to the statutory reserve	**107,461,850**
Retained earnings at 31 December 2010	232,197,780
TOTAL AVAILABLE FOR DISTRIBUTION	339,659,630
Recommended dividend for 2010 (€1.40 per share)	**24,702,439**
Transfer of the balance to retained earnings	314,957,191

The dividend will be paid as from 6 May 2011.

The total dividend payout is based on the number of Compagnie Plastic Omnium shares outstanding at 31 December 2010, i.e. 17,644,599. The dividend attributable to treasury shares held by the Company will be transferred to retained earnings.

Dividends paid in the past three years were as follows:

Year	Number of shares carrying dividend rights	Total dividends *(in euros)*	Dividend per share *(in euros)*
2007*	17,385,100 shares carrying dividend rights	12,169,570	0.70
2008*	16,940,234 shares carrying dividend rights	5,929,082	0.35
2009*	16,080,282 shares carrying dividend rights	11,256,197	0.70

** Amounts for 2007, 2008 and 2009 were fully eligible for the 40% tax relief as provided for in article 158-3-2° of the French General Tax Code for individual shareholders resident in France for tax purposes.*

> Approval of a regulated agreement (3rd resolution)

The purpose of the 3rd resolution is to submit to your approval, in accordance with Article L. 225-40 of the French Commercial Code, the transaction referred to in the Statutory Auditors' special report on the regulated agreements entered into by the Company during 2010.

The agreement is between Compagnie Plastic Omnium and its 76.8%-owned subsidiary, Inergy Automotive Systems. It grants Compagnie Plastic Omnium a license to use the trademarks belonging to Inergy Automotive Systems.

> Approval of the consolidated financial statements for the year ended 31 December 2010 (4th resolution)

The fourth resolution seeks your approval of the consolidated financial statements for the year ended 31 December 2010, showing net income Group share of €139,546 thousand.

> Discharge given to the directors (5th resolution)

The fifth resolution gives the directors discharge for the performance of their duties during the year.

> Authorization to be given to the Board of Directors to trade in the Company's shares (6th resolution)

Under the sixth resolution of the Annual Shareholders' Meeting of 29 April 2010, the shareholders authorized the Company to trade in its own shares on the following terms and conditions:

- Maximum purchase price: €60
- Maximum holding: 10% of the share capital
- Aggregate amount of purchases: €105,867,600

From 29 April 2010 to 31 December 2010, the Company purchased 342,706 shares for an aggregate sum of €14,124,847 or €41.22 per share, including 312,706 shares through the liquidity contract and 30,000 shares directly. During the same period, the Company sold 323,404 shares through the liquidity contract for aggregate sum of €12,891,761 or €39.86 per share.

From 1 January 2011 to 28 February 2011, the Company purchased 108,071 shares for an aggregate sum of €6,133,941 or €56.76 per share, including 58,071 shares through the liquidity contract and 50,000 shares directly. During the same period, the Company sold 47,423 shares through the liquidity contract for aggregate sum of €2,703,956 or €57.02 per share.

Details of these transactions and a description of the authorization we are seeking can be found in the section of the management report entitled "Share buyback program".

The authorization granted on 29 April 2010 will expire on 28 October 2011. The purpose of the 6th resolution is to ask to the shareholders to renew the authorization granted to the Board of Directors to trade on the Company's shares for a same period of 18 months.

The proposed terms and conditions of the new authorization are as follows:

- Maximum purchase price: €153
- Maximum holding: 10% of the share capital
- Aggregate amount of purchases: €269,962,380

The authorization will enable us to purchase shares of the Company on the terms and conditions provided for in articles L. 225-209 *et seq.* of the French Commercial Code for the purpose as follow:

- To maintain a liquid market for the Company's shares through a liquidity contract with an independent investment services firm that complies with the Code of Ethics issued by the French Financial Markets Authority (AMAFI).
- To cancel shares on the conditions provided for in article L. 225-209 of the French Commercial Code pursuant to an authorization to reduce the share capital given by extraordinary resolution of the shareholders.
- To implement programs for employees or certain officers; stock options plans to purchase shares or for the award of bonus shares.
- To carry out financial transactions via their transfer, disposal or exchange.
- To implement any other market practices authorized or to be authorized by market authorities.

> Re-appointment of a director (7th resolution)

The 7th resolution asks to the Shareholders to re-appoint Vincent Labruyère as director for a further three-year term expiring at the end of the Shareholders' Meeting to be held in 2014 to approve the 2013 financial statements.

> Ratification of the cooptation of a director (8th resolution)

The 8th resolution asks to the Shareholders to ratify the cooptation of Anne-Marie Couderc as director to replace Laurence Danon, outgoing director, for the remainder of her predecessor's term expiring at the end of the Shareholders' Meeting held to approve the 2011 financial statements.

> Appointment of a new director (9th resolution)

The 9th resolution asks to the Shareholders to appoint Anne Asensio as director for a three-year term expiring at the end of the Shareholders' meeting to be held in 2014 to approve the 2013 financial statements.

> Directors' fees (10th resolution)

The 10th resolution proposes to raise the amount of directors' fees to €260,000 effective from 2011.

Report of the Board of Directors on resolutions submitted to the Extraordinary Shareholders' Meeting

> Three-for-one stock split (11th resolution)

To provide for a more liquid market in Plastic Omnium shares and broaden the base of individual shareholders, we are proposing to carry out a three-for-one stock split, by dividing the par value of the shares by three (from €0.50 to €0.17) and thereby multiplying the number of shares outstanding by three.

Consequently, shareholders will receive three new shares with a par value of €0.17 for every existing share with a par value of €0.50. The number of qualifying shares owned by the directors during their term of office will therefore be raised from one hundred to three hundred.

For simplicity and to avoid having a par value of €0.16666 after the split, we propose to round up the par value of the new shares to €0.17 by capitalizing available reserves in the requisite sum.

Articles 6 and 11 of the bylaws will be amended accordingly, as follows:

Article 6 – Share capital
"The share capital is €8,998,745.49 divided into 52,933,797 shares each with a par value of €0.17 and all of the same class."

Article 11 – Board of Directors, paragraph 5
"Directors must each own at least 300 shares throughout their term of office."

> Delegation of authority to be given to the Board of Directors to increase the share capital by issuing common shares or common share equivalents of the Company and/or issue securities entitling the allocation of debt instruments with maintenance of preferential subscription rights (12th resolution)

In the twelfth resolution, we are seeking authorization to carry out rights issues of shares and/or share equivalents.

The authorization will be given for a period of 26 months from the Annual Shareholders' Meeting of 28 April 2011. The maximum nominal amount of capital increases that may be made immediately or in the future pursuant to the authorization will not exceed €300 million.

If the resolution is passed, we will be authorized to carry out rights issues on one or more occasions in the best interests of the Company and its shareholders and may, in accordance with the provisions of the law, offer shareholders the option of subscribing more shares than their entitlement as of right.

We will also be authorized to issue stock warrants to existing shareholders either for or without consideration.

If subscriptions have not absorbed the entire issue, the Board of Directors may decide, in the order of its choosing and in accordance with law, to limit the amount of subscriptions received, or to freely distribute all or part of the excess shares, or to offer the excess shares or securities to the public on the French market.

This authorization would also allow the Board of Directors, under conditions specified above, to issue securities giving access to debt instruments, with a maximum nominal amount of €150 million.

The resolution will authorize us to charge all issue expenses incurred against the corresponding share premiums, as well as the amounts required to bring the statutory reserve up to the minimum level required by law.

> Delegation of authority to be given to the Board of Directors to increase the number of securities to be issued with preferential subscription rights in application of the 12th resolution (13th resolution)

We are seeking authorization as permitted by law to increase the amount of an oversubscribed rights issue made pursuant to the twelfth resolution at the same price and within the time period and the limits provided for by law.

As the law stands at present, this would enable us to increase the amount of a rights issue in order to satisfy excess demand by up to 15% of the original offer, at the same price and within thirty days of the closing date of the original offer, subject to the maximum limit authorized in the twelfth resolution.

The authorization will be given for a period of 26 months from the Annual Shareholders' Meeting of 28 April 2011.

> Delegation of authority to be given to the Board of Directors to increase the share capital by issuing shares with cancellation of preferential subscription rights in favour of the Group employee savings plans members (14th resolution)

We are required by law to present a resolution authorizing us to carry out an employee rights issue concurrently with any resolution authorizing us to issue new shares.

In accordance with article L. 3332-19 of the Labor Code, the issue price may not be more than the average of the closing prices quoted during the twenty trading days preceding the date of the decision setting the offer opening date. Nor may it be more than 20% less than this average, unless the shares are to be subject to a lock-up period of at least ten years, in which case the price may not be more than 30% less than this average.

We are therefore seeking a 26-month authorization to carry out employee rights issues, within a maximum limit of 3% of the share capital.

Given the other employee incentive plans already in place, we recommend that you reject this proposed resolution.

> Authorization to be given to the Board of Directors to grant stock options for the purchase of shares of the Company to employees and officers of the Company and/or Group companies (15th resolution)

We are seeking authorization to grant options to purchase existing shares held by the Company to employees and certain officers of the group. The total number of shares that may be purchased upon exercise of the options granted may not represent more than 2.5% of the share capital on the date of the Board's decision.

The exercise price will be set by the Board of Directors in accordance with the provisions of articles L. 225-177 and L. 225-179 of the French Commercial Code, with no discount. The exercise price may not be less than 80% of the average of the closing prices quoted during the twenty trading days preceding the date of the Board's decision and no options may be granted until at least twenty trading days after an ex dividend or ex rights date. The share price on the option grant date may not be less than 80% of the average price paid by the Company for the corresponding treasury shares in accordance with the provisions of articles L. 225-208 and L. 225-209 of the French Commercial Code.

The Board will have full powers to determine the list of beneficiaries and the number of options to be granted to each one, as well as the terms and conditions of exercise.

The authorization will be given for a period of 38 months from the Shareholders' Meeting of 28 April 2011.

> Authorization to be given to the Board of Directors to award shares to employees and officers of the Company and/or Group companies (16th resolution)

We are seeking authorization to grant stock without consideration to employees and officers of the Company and related companies within the meaning of the law, in accordance with the provisions of articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code.

The total number of shares that may be awarded may not exceed 2.5% of the share capital on the grant date.

The shares awarded will be existing shares.

The stock grants will be subject to a vesting period of no less than two years for all or some of the shares granted and a lock up period of no less than two years from the vesting date. However, if the vesting period is set at four years, there will be no minimum lock-up requirement.

The Board of Directors may determine the list of beneficiaries from among the employees and officers of the Company and related entities at least 10%-owned directly or indirectly by the Company. The Board will have full powers to set the terms and conditions of grant and any eligibility criteria. Stock grants may be made on one or more occasions.

In accordance with article L. 225-197-4 of the French Commercial Code, we will report on our use of this authorization at each Annual Shareholders' Meeting.

The authorization will be given for a period of 38 months from the date of the Shareholders' Meeting of 28 April 2011.

> Powers to carry out formalities (17th resolution)

The seventeenth resolution gives powers to the bearer of an original, a copy or an extract of the minutes of the Shareholders' Meeting to carry out any legal or regulatory publication formalities required to enforce the decisions taken at the Shareholders' Meeting.

The Board of Directors

Other information

1. Five-year financial summary

A summary of the Company's results for the last five years is provided on page 193 and forms an integral part of this Management's Discussion and Analysis.

2. Information on settlement periods for payables

(in euros)			Trade payables – France
Type of payable	Due and past-due	Not yet due	Total
Intra-group payables	0	711,831	711,831
External payables	910,044	508,508	1,418,552
TOTAL	910,044	1,220,339	2,130,383

(in euros)			Payment dates for payables not yet due
Type of payable	January 2011	February 2011	Total
Intra-group payables		711,831	711,831
External payables	437,318	71,190	508,508
TOTAL	437,318	783,021	1,220,339

Report of the Chairman of the Board of Directors of Compagnie Plastic Omnium for the year ended 31 December 2010

This report below has been prepared in accordance with Article L. 225-37 of the French Commercial Code to provide shareholders with information on (i) the preparation and organization of the work of the Board of Directors of Compagnie Plastic Omnium (also referred to as the "Company") during 2010, and (ii) the internal control and risk management procedures in place within the Company.
The report was drafted by the Company's Corporate Secretariat and Risk Management Department. It was presented by the Chairman and Chief Executive Officer to the Board of Directors, which approved it on 15 March 2011.

Preparation and organization of the work of the Board of Directors

1. Corporate Governance

> Adoption of the AFEP-MEDEF Corporate Governance Code

The Board uses the December 2008 AFEP-MEDEF Corporate Governance Code for listed companies as its benchmark framework for corporate governance procedures and the Company complies with almost all of the recommendations of this Code. However, instead of having an Appointments or Compensation Committee as recommended in the Code, the Board itself carries out the work generally performed by this type of committee.

> Board of Directors' Internal Rules

In 2004, the Board of Directors adopted a set of Internal Rules describing its organization and procedures and setting out the obligations of directors. These internal rules add to the provisions of the law and the Company bylaws.

2. Management method: combining the roles of Chairman and Chief Executive Officer

On 11 September 2002, the Board of Directors decided not to separate the functions of Chairman of the Board of Directors and Chief Executive Officer. In accordance with this decision, the Company is managed by Laurent Burelle, Chairman and Chief Executive Officer, Paul Henry Lemarié, Director and Chief Operating Officer and Jean-Michel Szczerba, Chief Operating Officer appointed by the Board of Directors on 16 March 2010.

The Chairman and Chief Executive Officer and the Chief Operating Officers have the same powers to represent the Company in its dealings with third parties. Their respective powers are determined by the Board of Directors and the Board's Internal Rules.

3. Membership of the Board of Directors

A list of the Board members is provided on pages 10 and 11 of the Annual Report.

A list of directorships and other offices held in 2010 by each of the Company's directors is provided in the section of the Financial Report entitled "Directorships and functions held by the Directors of the Company" (see page 98).

> Independent directors

The AFEP-MEDEF Corporate Governance Code states that in companies that have a controlling shareholder, as is the case with Compagnie Plastic Omnium, independent directors should account for at least a third of the Board's members.

The Company's Internal Rules stipulate that at least half of the members of the Board of Directors must be independent, i.e. have no ties with the Company, the Group or its management that could prevent them from freely exercising their judgment.

As at 31 December 2010, Compagnie Plastic Omnium's Board comprised twelve directors, of whom four represent the majority shareholder. The eight others meet the independence criteria defined in the Board's Internal Rules, although three of them have been directors of the Company for more than twelve years.

The Board has not adopted this particular criteria recommended by AFEP-MEDEF because it does not consider that a director who remains in office for more than twelve years necessarily loses his or her independence. Regardless of how long they have served, all the directors of Compagnie Plastic Omnium are committed, vigilant and actively participate in discussions with full freedom of judgment.

The members of the Board combine a broad range of outstanding managerial, industrial and financial expertise.

> Cooptation of a new director in 2010

On 20 July 2010, the Board co-opted Anne-Marie Couderc as director to replace Laurence Danon. At their Meeting on 28 April 2011, the shareholders will be asked to ratify this cooptation for the remainder of Ms. Danon's term, which expires at this same Shareholders' Meeting.

Ms. Couderc meets the definition of independent director with no vested interests as set out in the Board's Internal Rules.

> Election of a new director in 2011

The Board of Directors is seeking the election of a new director, Anne Asensio, for a three-year term in accordance with the provisions of the bylaws.

Ms. Asensio meets the definition of independent director with no vested interests as set out in the Board's Internal Rules.

4. Roles and responsibilities

The Board's Internal Rules state that the main roles and responsibilities of the Board of Directors, in line with the law and the Company's bylaws, are to:

- Examine and discuss any issues that concern the way the business is run.
- Carry out any reviews or controls that it considers appropriate, and verify the overall consistency of the Company's accounts and accounting policies.
- Approve the audited financial statements of the Company and the Group presented by the Chairman of the Board, after hearing the Statutory Auditors' comments. These financial statements are then certified by the Statutory Auditors before being presented to the Annual Shareholders' Meeting.
- Approve the interim financial statements.
- Ensure that the financial information reported to shareholders and the financial markets is accurate.
- Define the key business strategies for Compagnie Plastic Omnium and monitor their application.
- Set the Company's main strategic goals as presented by the Chairman of the Board of Directors and ensure that adequate financial resources are made available to achieve them.

5. Board procedures and practices

The Board of Directors meets as often as required in the interests of the Company, and at least four times a year.

To enable the Board to effectively fulfill its role and responsibilities, under the internal rules the Chairman is required to report regularly to the Board on the following matters:

- Earnings forecasts.
- Changes in debt and the Company's financial position.
- The management report, financial statements and internal control report.
- Changes in environmental and workplace safety indicators.

Also in accordance with the Board's Internal Rules, transactions that the Chairman believes might impact the Group's strategy or considerably modify its financial position or business base – such as acquisitions, mergers, divestments or demergers – must be submitted to the Board of Directors for prior approval.

6. Board of Directors' self-assessment

The Board's Internal Rules specify that the Board must perform an annual assessment of its own work, based on directors' replies to a questionnaire on the Board's procedures and practices over the past year, including:

- The appropriateness of matters addressed by the Board and the manner in which they were dealt with.
- The frequency and length of Board meetings.
- The quality of information provided to the Board and to each of its members, as well as the timeliness of the information provided prior to meetings.
- The operating procedures and membership of the Audit Committee.

The replies to the 2010 questionnaire showed that directors were fully satisfied with the Board's procedures and practices for the year.

Board members expressed appreciation of the quality and comprehensiveness of information provided, especially with regard to corporate strategy, and the organization of discussions at meetings. The questionnaire results also underlined the director's appreciation of the quality of the Audit Committee's overall work and its presentations to the Board.

7. Activities of the Board in 2010

The Board met four times in 2010 with an average attendance rate of 92%. Each meeting lasted an average of three hours.

At each meeting, a detailed analysis of the Group's financial results was presented to the Board, which reviewed the 2009 full-year financial statements at its meeting on 16 March and the 2010 interim financial statements at its 20 July meeting.

Also at each meeting, the Board reviewed the Company's cash and liquidity position and verified that its corporate strategy was being effectively implemented.

8. Audit Committee

> Creation - Membership

The Audit Committee assists the Board of Directors in fulfilling its responsibilities. Set up by the Board in 1996, it is made up of four independent directors. A new Chairman is appointed every three years, on a rotating basis.

> Role

The Audit Committee assists the Board of Directors in ensuring that the accounting policies used are appropriate and consistent and that they are properly applied.

Its main roles and responsibilities are to:

- Review the annual and interim financial statements prepared and presented by the Chairman of the Board of Directors and audited or reviewed by the Statutory Auditors, hear the Statutory Auditors' comments and examine certain items in detail before submitting the financial statements to the Board of Directors.
- Monitor the financial reporting process and more particularly to examine the accounting policies used to prepare the financial statements and forestall any failure to comply with accounting rules.
- Express an opinion on the Chairman and Chief Executive Officer's choice of candidates for appointment or re-appointment as Statutory Auditors.
- Analyze the findings and recommendations of the Statutory Auditors, and monitor their implementation.
- Ensure that regulations relating to the independence of the Statutory Auditors are complied with and that they are given all necessary information on a timely basis.
- Monitor the effectiveness of the internal control and risk management systems set up by Senior Management that could have an impact on the financial statements.
- Examine any issues that may have a material impact on the Group's financial position.

The Audit Committee meets as often as necessary, particularly in advance of Board meetings when accounting matters are to be discussed. At least two meetings are held each year, before the Board meetings called to approve the interim and annual financial.

> Activities of the Audit Committee in 2010

The Committee met twice in 2010, to review the 2009 annual financial statements and the 2010 interim financial statements. Both of these meetings were attended by all of the Committee members, as well as by the Chief Financial Officer, the Corporate Secretary, the Vice President, Risk Management and the Statutory Auditors. The Committee reported to the Board on its work during the year.

9. Corporate officers' compensation

The rules and procedures applied by the Board to determine the compensation and benefits of corporate officers are described in the section of Management's Discussion and Analysis entitled "Corporate officers' compensation" (see page 76 and following of the Annual Report).

10. Additional information

This report will be presented at the Annual Shareholders' Meeting to be held on 28 April 2011. The conditions applicable for shareholders to participate in this meeting are described in article 16 of the Company's bylaws and can also be viewed on Plastic Omnium's website at www.plasticomnium.com.

Information required under article L. 225-100-3 of the French Commercial Code regarding items that could have a bearing on a public offer is provided in the Management's Discussion and Analysis section of this document as well as in the Company's bylaws.

The AFEP-MEDEF Corporate Governance Code is available for consultation at the Company's administrative headquarters or on www.plasticomnium.com.

Internal control and risk management procedures

1. Internal control and risk management objectives

> Definition and objectives of internal control and risk management

Internal control and risk management are the responsibility of Senior Management and require the involvement of everyone in the organization, according to their particular role. Compagnie Plastic Omnium's internal control and risk management system is designed to ensure:

- Compliance with applicable laws and regulations;
- Efficient, controlled application of guidelines and objectives set by Senior Management, particularly with regard to risk.
- The smooth functioning of the Company's internal processes, particularly those involving the security of its assets.
- The reliability of financial information.
- The commitment of all employees to shared values and a shared vision of the risks they are helping to control.

The internal control and risk management system plays a key role in the management of Compagnie Plastic Omnium's business. However, it cannot provide absolute assurance that every objective will be met or that every risk will be prevented.

Compagnie Plastic Omnium is actively developing its internal control and risk management system as part of a continuous improvement process, based on the Application Guide for Internal Control Procedures published with the AMF's Internal Control Reference Framework.

> Scope of this report

This report describes the internal control system in effect at Compagnie Plastic Omnium, the parent company of the Plastic Omnium Group. It is therefore focused on the procedures intended to guarantee (i) the reliability of the consolidated financial statements and (ii) the Company's control over its majority-owned entities.

For entities in which it has significant equity interests but exercises control jointly with another party, the Company regularly reviews and assesses how these entities operate and uses all of its influence to ensure that they comply with its internal control requirements.

2. Summary description of the internal control and risk management system

> Organization

The Plastic Omnium Group is made up of two Divisions:

- **Automotive** (Plastic Omnium Auto Exterior and Plastic Omnium Auto Inergy)
- **Environment**.

Under the supervision and control of Compagnie Plastic Omnium's Senior Management team, these two independently managed Divisions are responsible for deploying the resources required to meet the financial targets set in their annual budgets approved by Senior Management.

> Structure of the internal control and risk management system

The Group's internal control and risk management system is underpinned by (i) the rules and procedures set out in its Internal Control Framework, and (ii) processes aimed at continuously improving the management of the main risks to which the Group may be exposed.

Every employee has a role to play in ensuring that the system operates smoothly. Oversight and controls are performed by the following seven key functions:

- The Chairman and the Senior Management team, the Risk Management Department and the Internal Control Committee, which monitor the system.
- The Operations Management of each Division, the Corporate Departments and the Internal Audit Department, which represent three separate levels of control.
- The Board of Directors.

The Chairman and Senior Management team define the overall guidelines for organizing and operating the internal control and risk management system.

They are assisted in this task by the **Executive Committee**, which has management and decision-making powers with regard to the Company's business. It comprises the Chairman and Chief Executive Officer, the Chief Operating Officers, the Executive Vice President, Corporate Planning and M&A, the Chief Financial Officer, the Corporate Secretary-Vice President, Legal Affairs, the Executive Vice President, Human Resources and the Divisional Presidents. It meets once a month to review the Group's business performance and recent developments and discuss its outlook. During this process, it addresses cross-business issues such as sales and marketing, organizational structure, capital expenditure, legal affairs and human resources, safety and environmental performance, R&D, mergers and acquisitions, and financing. Each month, it examines results and balance sheet ratios, notably capital expenditure and working capital, for each Division and each subsidiary, compared with prior-year figures and the monthly budget. It also reviews three-month forecasts of the consolidated income statement and balance sheet and plays a pro-active role in directing the Group's management. At the end of each quarter, it approves the revised forecasts for the current year. Every June, the Executive Committee reviews each Division's five-year business plan, which is then used in preparing the budget, whose final version is approved in December.

> The Internal Control Framework

The cornerstone of Compagnie Plastic Omnium's internal control system is the Company's Internal Control Framework, which sets out all the rules and procedures applicable within its majority-controlled companies. It comprises a **Code of Conduct**, the Group's **Internal Control Rules and Procedures**, and an **Accounting and Financial Procedures Manual**.

- **The Code of Conduct:** In addition to its business responsibilities, Compagnie Plastic Omnium places great importance on respecting human rights and complying with sustainable development principles. The Company's long-standing commitment to corporate social responsibility is demonstrated in the **Plastic Omnium Code of Conduct** and its pledge to support the **UN Global Compact**. The Code of Conduct sets out the Company's values as well as the individual and collective conduct expected from members of the Group. It also provides the underlying principles for internal control rules and procedures. In 2010, the Company prepared a specific Code of Conduct on competition law, which has been circulated throughout the Group as part of a compliance program.

  The Code of Conduct applies to the Company and to all of its majority-owned subsidiaries and affiliates. Plastic Omnium does everything in its power to encourage the other subsidiaries and affiliates to adopt processes and practices that reflect the provisions of the Code. Group management, members of the Executive Committee, Division Presidents and facility managers are all responsible for ensuring that employees are fully aware of the contents of the Code and have access to the necessary resources to comply with its provisions. In return, each employee must behave in a way that demonstrates his or her constant personal commitment to respecting the laws and regulations of the country where he or she works, as well as the ethical rules defined in the Code.

- **Group Internal Control Rules and Procedures:** Compagnie Plastic Omnium has a set of Internal Control Rules and Internal Control Procedures that define the roles and responsibilities of Senior Management, the Corporate Departments, and the Operations Management of the Divisions and subsidiaries. It addresses the following issues:
  - Legal affairs and corporate governance.
  - Human resources.
  - Treasury (financing and routine operations).
  - Sales.
  - Purchasing (operations and capital expenditure).
  - Real estate.
  - Information systems.

The Internal Control Rules, which cover both routine and non-recurring business operations, constitute a single global reference point aimed at ensuring that the internal control processes are both consistent and appropriate. The internal control processes specify how the rules should be applied.

- The **Accounting and Financial Procedures Manual**: Compagnie Plastic Omnium has also prepared an Accounting and Financial Procedures Manual that complies with IFRS. These procedures are applicable to all of the consolidated companies.

  As part of a continuous internal control improvement process, the Internal Control Framework is regularly amended and updated to reflect changes in practices, regulations and organization.

> Risk Management

The main risks to which Compagnie Plastic Omnium is exposed are described in the "Risk Management" section of Management's Discussion and Analysis (page 65). This section also explains the principal measures and processes used to effectively prevent and manage these risks.

The risk management system presented in this report includes a risk mapping process for the Company's key risks, which is used as a basis for verifying whether the Group's risk management processes are appropriate and for taking measures to improve or expand existing processes where required. Risk mapping is carried out at Group level by the Risk Management Department in conjunction with the Operations Management teams and the Corporate Departments, overseen by Senior Management.

> Control activities

The risk management process is shaped by a commitment to both accountability and independent judgment, as demonstrated at the three levels – Operations Management, the Corporate Departments and Internal Audit – that are responsible for overseeing operations and risk management procedures.

Operations Management sets up the appropriate organizational structures and allocates the necessary resources to ensure that the Group's internal control principles and rules are applied in a satisfactory manner in each of its businesses. Operations managers are tasked with ensuring that corrective measures recommended following audits carried out by the Internal Audit Department are properly undertaken. They are also responsible for identifying the risks specific to the business area for which they are responsible and implementing reasonable measures to control such risks.

The **Corporate Departments** – i.e. Human Resources, Sustainable Development, Corporate Finance, Information Systems and Legal Affairs – have the broadest powers to define the Company's rules and procedures in the areas falling within their remit, under the responsibility of Senior Management They coordinate and oversee the activities of their specialized networks with a view to protecting the interests of the Group and all of its stakeholders.

In the particular area of internal control and risk management, the Corporate Departments are responsible for analyzing the risks specific to the activities within their remit and for defining the necessary structures and systems to ensure that these activities operate smoothly. They prepare and update the Internal Control Framework and the cross-business risk management procedures and are required to ensure that the Framework complies with applicable standards, law and regulations. Their duties also entail putting in place the requisite resources for appropriately relaying the information they produce.

Compagnie Plastic Omnium has a central **Internal Audit Department** that forms part of the Group Risk Management Department and reports to Senior Management. The Internal Audit Department also regularly reports on its work to the Internal Control Committee, which is responsible for overseeing the Group's internal control procedures. The Internal Audit Department carries out analyses of the overall internal control system and ensures that the procedures are properly implemented.

The Internal Audit Department performs audit assignments in all of the subsidiaries that are either wholly or jointly-controlled by Compagnie Plastic Omnium. At the end of each audit, it issues recommendations to the audited units, which prepare corrective action plans whose implementation is systematically monitored by Division management. The annual internal audit plan is based on criteria relating to how often audits are performed and to each entity's risk and control environment. None of the audits performed in 2010 revealed any serious weaknesses in the internal control and risk management system.

The Internal Audit Department also oversees the annual internal control **self-assessment** processes that were launched in 2006. The self-assessment questionnaire is broadly based on the Application Guide published with the AMF's Internal Control Framework. This process is an effective means of both assessing the internal control system and raising awareness of internal control issues within the Group's local units. At the same time, it is a useful tool for the Internal Audit Department when preparing their audit work.

In addition, special audits are regularly performed by independent organizations to verify (i) compliance with international health, safety and environmental standards, (ii) the Group's quality assurance performance, and (iii) compliance with the requirements of insurance companies and customers. At 31 December 2010, 94%, 93% and 80% of the eligible facilities that were at least 50%-owned had respectively earned ISO-TS16949 (or ISO 9001), ISO 14001 or OHSAS 18001 certification.

> Information and communication

Employees can access internal control rules and procedures via the home page of the Group's intranet. However, the internal control system is primarily deployed through formal documents, awareness-raising sessions, training programs and reporting processes carried out by the Corporate Departments. All of these measures, which include the self-assessment procedure described above, demonstrate to local units Senior Management's deep commitment to internal control processes.

The dissemination of information on the preparation of financial and accounting data is covered by separate procedures, described below.

> Oversight

Senior Management, assisted by the Risk Management Department, is responsible for the overall oversight of the Group's internal control and risk management processes.

The Risk Management Department exercises a critical oversight role concerning the internal control system as part of its specific remit. It reports on its analyses and issues recommendations to Senior Management and the Internal Control Committee. The Risk Management Department is also responsible for identifying business-related risks at Group level and leading the preparation of the corresponding risk management plans.

The **Internal Control Committee** coordinates the internal control system and ensures that it functions effectively. It is chaired by the Corporate Secretary and its other members are one of the Chief Operating Officers, the Executive Vice President, Human Resources, the Chief Financial Officer, members of the Executive Committees of the Group's various businesses, the Vice President, Risk Management and the Head of Internal Audit. The Committee is responsible for ensuring the overall quality and effectiveness of the internal control system and for relaying the decisions and recommendations of the Chairman and Chief Executive Officer, to whom it reports. It has the authority to coordinate the measures undertaken by all players involved in the Group's internal control and risk management processes in each of the Group's divisions or corporate functions.

Lastly, the **Board of Directors** examines all of the main assumptions and strategies defined for the Company by Senior Management. It reviews the broad outlines of the internal control system and risk management processes and obtains an understanding of all procedures involved in the preparation and production of general and financial information.

3. Internal controls relating to the preparation of financial and accounting information

> Principles applicable for the preparation of the Group's financial information

The Finance Department is responsible for ensuring that the Group's financial information is consistent. As such, it is tasked with:

- Defining the Group's financial and accounting standards in line with the applicable international standards.
- Defining the policy for preparing financial information.
- Coordinating the information systems used to produce financial and accounting data.
- Verifying the financial information provided by the subsidiaries.
- Preparing the financial information required for the consolidated financial statements.

A single accounting plan and the same accounting standards are used by all Group units in order to ensure that data in the consolidated financial statements are consistent. The accounting plan and standards, which take account of the specific characteristics of the various businesses, were developed by the Accounting Standards and Policies Department. This department reports to the Corporate Accounting and Tax Department, which has sole authority to make any changes to them.

As a further guarantee of consistency, the financial information systems used by the subsidiaries are also centrally managed by Corporate Finance. The use of a single software application guarantees that all of the reporting and consolidation processes are standardized and applied consistently across the Group. The Divisions have also developed integrated management systems, based on commercial software recommended by the Group. These systems have been rolled out to the majority of the Divisions' manufacturing sites, helping to ensure that the information required for preparing the financial statements is properly controlled.

Group financial information is prepared for the following key processes:

- Weekly cash reporting.
- Monthly reporting.
- Interim and annual consolidation.
- The annual budget.

These three processes apply to all of the subsidiaries controlled directly and indirectly by Compagnie Plastic Omnium.

> Financial reporting and control procedures

Each subsidiary is responsible for producing its own accounts. First-tier controls and analyses of the subsidiaries' financial statements are performed at local level and second-tier controls are performed at Division level. Third-tier controls are performed by Corporate Finance.

Monthly reporting data are submitted to Senior Management eight days after the monthly close and are discussed at the Executive Committee meeting. The reporting package includes a detailed income statement presented by function, as well as an analysis of production costs, overheads and research & development costs. It also includes a full cash flow statement, forecasts for the next three months and environmental and safety indicators. The information is prepared at Group, Division and subsidiary level. Four sets of figures are provided – monthly actual, year-to-date actual, prior-year actual and current year budget – together with an analysis of material variances.

The budget process begins in September, when the subsidiaries prepare their figures, which are consolidated at Division level. The budgets are then submitted to Senior Management in November and validated in December prior to being presented to Compagnie Plastic Omnium's Board of Directors. The budget package includes an income statement, cash flow statement and data concerning return on capital employed for each subsidiary and Division for year y+1 plus the main income statement data for y+2.

Revised forecasts are regularly produced which enable operations staff to take corrective measures with a view to ensuring that initial budget targets are met. They also help Senior Management to reliably report on the Group's developments.

The budget is based on the rolling four-year business plan approved in July of each year by Senior Management. The plan comprises income statement and balance sheet projections prepared on the basis of the sales, manufacturing and financial strategies of the Group and the Divisions.

Plastic Omnium Finance, the "Group bank", is responsible for managing the financing of all of the subsidiaries that the Group controls. Through Plastic Omnium Finance, Compagnie Plastic Omnium has set up a global cash pooling and netting system for all Group subsidiaries, except in countries where local laws prohibit this practice. Cash positions are consolidated daily and intergroup receivables and payables are netted monthly.

In general, Group companies cannot negotiate external financing arrangements without the prior authorization of Senior Management. Subsidiaries that are directly financed by Plastic Omnium Finance are allocated a monthly credit facility, whose amount is set during the budget process and is approved by Senior Management.

When 95% of the credit facility has been used, additional financing from any further drawdowns is released only on the basis of a formal request made by the subsidiary's Senior Executive or the President of the Division to the Group Chairman and Chief Executive Officer.

Plastic Omnium Finance is also responsible for centralizing the Group's hedging transactions for both currency and interest rate risks.

Cash reports are sent to the Chairman and Chief Executive Officer and the Chief Operating Officers on a weekly basis, providing an analysis of the cash position of each Division, and of the Group as a whole, together with comparisons with the previous year and with the budget for the current year.

In 2008, an audit of the Group's cash management procedures and financial transactions was performed by a leading international firm, which concluded that the Group's cash transactions were appropriately controlled.

No material incidents or significant changes occurred during 2010 that could have compromised the effectiveness of the internal control system described above.

4. 2011 action plan

As part of the commitment to continuously improve the internal control system, Compagnie Plastic Omnium intends to enhance a number of procedures in 2011, based on the rules defined and published in 2008, 2009 and 2010, in order to make them more effective and user-friendly. The Risk Management Department plays a key role in this continuous improvement process, which covers internal control, accounting, financial and risk management procedures.

Statutory Auditors' report on the report of the Chairman of the Board of Directors

Statutory auditors' report, prepared in accordance with article L. 225-235 of the French Commercial Code *(Code de commerce)*, on the report prepared by the Chairman of the Board of Directors.

> To the Shareholders,

In our capacity as statutory auditors of Compagnie Plastic Omnium and in accordance with article L. 225-235 of the French Commercial Code *(Code de commerce)*, we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-37 of the French Commercial Code *(Code de commerce)* for the year ended 31 December 2010.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French Commercial Code *(Code de commerce)* relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- confirm that the report also includes the other information required by article L. 225-37 of the French Commercial Code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

· obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;

· obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;

· determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code *(Code de commerce)*.

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by article L. 225-37 of the French Commercial Code *(Code de commerce)*.

Courbevoie and Neuilly-sur-Seine, 25 March 2011

The statutory auditors

French original signed by

ERNST & YOUNG AND OTHERS	MAZARS
FRANCOIS VILLARD	JERÔME DE PASTORS

Directorships and functions held by the Directors of the Company in 2010

Directorships and functions held by Laurent Burelle

Country	Company	Function
Germany	PLASTIC OMNIUM GmbH	Legal Manager
Spain	COMPAÑIA PLASTIC OMNIUM SA	Chairman and Managing Director
United States	PERFORMANCE PLASTICS PRODUCTS – 3P Inc.	Chairman
	PLASTIC OMNIUM AUTO EXTERIORS LLC	Chairman
	PLASTIC OMNIUM Inc.	Chairman
	PLASTIC OMNIUM AUTOMOTIVE SERVICES Inc.	Chairman
	PLASTIC OMNIUM INDUSTRIES Inc.	Chairman
	INERGY AUTOMOTIVE SYSTEMS LLC	Director
France	BURELLE SA	Chief Operating Officer – Director
	SOGEC 2 SA	Chief Operating Officer – Director
	BURELLE PARTICIPATIONS SA	Director
	SOFIPARC SAS	Chairman of the Supervisory Board
	COMPAGNIE PLASTIC OMNIUM SA	Chairman and Chief Executive Officer
	PLASTIC OMNIUM ENVIRONNEMENT SAS	Chairman of the Supervisory Board
	PLASTIC OMNIUM AUTO SAS	Chairman
	VALEO PLASTIC OMNIUM SNC	Co-Managing Partner Legal representative of Plastic Omnium Auto Exteriors
	PLASTIC OMNIUM AUTO EXTERIORS SAS	Chairman
	INERGY AUTOMOTIVE SYSTEMS SA	Chairman and Chief Executive Officer
	LA LYONNAISE DE BANQUE	Director
	CIE FINANCIÈRE DE LA CASCADE SAS	Chairman
	LABRUYÈRE EBERLE SAS	Member of the Supervisory Board
United Kingdom	PLASTIC OMNIUM Ltd	Chairman
Netherlands	PLASTIC OMNIUM INTERNATIONAL BV	Chairman
Switzerland	SIGNAL AG	Director

Directorships and functions held by Paul Henry Lemarié

Country	Company	Function
Germany	PLASTIC OMNIUM GmbH	Member of the Board
Spain	COMPAÑIA PLASTIC OMNIUM SA	Director
United States	INERGY AUTOMOTIVE SYSTEMS HOLDING Inc.	Director
	INERGY AUTOMOTIVE SYSTEMS LLC	Director
France	BURELLE SA	Chief Operating Officer – Director
	BURELLE PARTICIPATIONS SA	Chief Operating Officer – Director
	SOFIPARC SAS	Member of the Supervisory Board
	COMPAGNIE PLASTIC OMNIUM SA	Chief Operating Officer – Director
	PLASTIC OMNIUM ENVIRONNEMENT SAS	Member of the Supervisory Board
	INERGY AUTOMOTIVE SYSTEMS SA	Director
	INOPART SA governed by a Management Board and Supervisory Board	Member of the Supervisory Board

Directorships and functions held by Éliane Lemarié

Country	Company	Function
France	BURELLE SA	Director
	SOFIPARC SAS	Member of the Supervisory Board
	SOGEC 2 SA	Chief Operating Officer - Director
	COMPAGNIE PLASTIC OMNIUM SA	Permanent representative of BURELLE SA
	UNION INDUSTRIELLE	Chairman of the Supervisory Board
	IRMA COMMUNICATION SARL	Legal manager until 13 April 2010

Directorships and functions held by Jean Burelle

Country	Company	Function
France	BURELLE SA	Chairman and Chief Executive Officer
	BURELLE PARTICIPATIONS SA	Chairman and Chief Executive Officer
	COMPAGNIE PLASTIC OMNIUM SA	Honorary Chairman – Director
	SOGEC 2 SA	Chief Operating Officer
	SOFIPARC SAS	Member of the Supervisory Board
	SYCOVEST 1 (SICAV)	Permanent representative of Burelle Participations – Director
	REMY COINTREAU	Director and member of the Appointments and Compensation Committee
	SOPAREXO (SCA)	Member of the Supervisory Board
	BANQUE JEAN-PHILIPPE HOTTINGUER (SCA)	Member of the Supervisory Board
	MEDEF INTERNATIONAL (ASSOCIATION)	Chairman
	HARVARD BUSINESS SCHOOL CLUB DE FRANCE (ASSOCIATION)	Chairman
Spain	COMPAÑIA PLASTIC OMNIUM SA	Director
Switzerland	SIGNAL AG	Director

Directorships and functions held by Anne-Marie Couderc

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
	QUILLET SA	Chairman and Chief Executive Officer until 30 June 2010
	SOCIÉTÉ FRANÇAISE DE JOURNAUX ET D'IMPRIMES COMMERCIAUX L'ALSACE SAS	Permanent representative of Quillet Member of the Board of Directors until 30 June 2010
	MEDIAKIOSK SAS	Director
	PRESSTALIS SARL	Co-Legal Manager until 24 August 2010
		Chief Executive Officer
	SOCIÉTÉ DE PRESSE FÉMININE SNC	Representative of Quillet SA, Co-Managing Partner until 30 June 2010
	LA FONDATION D'ENTREPRISE ELLE	Director
	LA FONDATION RATP	Director
	LA FONDATION VEOLIA ENVIRONNEMENT	Director

Directorships and functions held by Laurence Danon

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director until 20 July 2010
		Member of the Audit Committee until 20 July 2010
	EDMOND DE ROTHSCHILD CORPORATE FINANCE	Chairman of the Executive Board
	TF1	Member of the Board of Directors
	RHODIA	Member of the Board of Directors
		Member of the Strategy Committee
	BPCE SA governed by a Management Board and Supervisory Board	Member of the Supervisory Board
		Chairman of the Appointments and Compensation Committee
United Kingdom	DIAGEO plc	Member of the Board of Directors
		Member of the Audit and Compensation Committee

Directorships and functions held by Jean-Pierre Ergas

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
		Member of the Audit Committee
	APLIX SA	Director
	FINANCIÈRE VIVALDI	Member of the Supervisory Board
United States	BWAY CORPORATION	Chairman until June 2010 and Director
	DOVER CORPORATION	Director
	GENRAL MOLY Inc	Director until May 2010
	ERGAS VENTURES LLC	Director

Directorships and functions held by Jérôme Gallot

Country	Company	Function
France	CDC ENTREPRISES SAS	Chairman
	FSI PME PORTEFEUILLE SAS	Chairman
	CDC ENTREPRISES ELAN PME SAS	Chairman
	AVENIR ENTREPRISES SA	Chairman of the Board of Directors
	COMPAGNIE PLASTIC OMNIUM SA	Director
	CAISSE DES DÉPÔTS	Member of the Group Executive Committee
	ICADE SA	Director
	CNP ASSURANCES SA	Director until June 22, 2010
	NEXANS SA	Director
	NRJ GROUP SA	Non-voting Director
	SCHNEIDER ELECTRIC SA	Member of the Supervisory Board
	CONSOLIDATION ET DÉVELOPPEMENT GESTION SAS	Chairman of the Supervisory Board
Brazil	CAIXA SEGUROS SA	Director

Directorships and functions held by Francis Gavois

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
		Member of the Audit Committee
	CONSORTIUM DE RÉALISATION (CDR)	Director
Netherlands	STH	Member of the Supervisory Board

Directorships and functions held by Bernd Gottschalk

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM	Director
Germany	ROCHE DEUTSCHLAND HOLDING GmbH	Member of the Supervisory Board
	ROCHE DIAGNOSTICS GmbH	Member of the Supervisory Board
	JOH. HAY GmbH & Co. KG	Chairman of the Supervisory Board
	SCHAEFFLER GmbH	Member of the Board of Directors
United Kingdom	MACQUARIE CAPITAL (EUROPE) Ltd	Chairman
Switzerland	HYMER AG	Chairman of the Supervisory Board
	VOITH AG	Member of the Supervisory Board
	FUCHS PETROLUB AG	Member of the Board of Directors, of the Audit Committee and of the Compensation and Appointments Committee
	WOCO GRUPPE	Vice-Chairman of the Supervisory Board
	HOFFMANN LA ROCHE, GRENZACH	Member of the Board of Directors

Directorships and functions held by Vincent Labruyère

Country	Company	Function
France	SOCIÉTÉ COMMERCIALE DE BIOUX SAS	Member of the Executive Board
	GRANDS MAGASINS LABRUYÈRE SAS	Member of the Executive Committee
	SOCIÉTÉ FINANCIÈRE DU CENTRE SAS	Chairman
	COMPAGNIE PLASTIC OMNIUM SA	Director
		Chairman of the Audit Committee
	SOCIÉTÉ FINANCIÈRE LABRUYÈRE EBERLE SAS	Chief Executive Officer until June 2010
		Chairman of the Management Board
	SA PERROUX et Fils	Director
	PIGE SA	Permanent representative of Labruyère Éberlé – Director
	MARTIN MAUREL SA	Director
	SNPI SCA	Member of the Supervisory Board

Directorships and functions held by Alain Mérieux

Country	Company	Function
France	INSTITUT MÉRIEUX	Chairman and Chief Executive Officer
	BIOMÉRIEUX SA	Chairman and Chief Executive Officer
	FONDATION MÉRIEUX	Chairman of the Board of Directors
	FONDATION CHRISTOPHE ET RODOLPHE MÉRIEUX – Institut de France	Honorary Chairman and Director
	FONDATION PIERRE FABRE	Director
	FONDATION PIERRE VEROTS	Director
	COMPAGNIE PLASTIC OMNIUM SA	Director
	TRANSGÈNE	Director
	SYNERGIE LYON CANCER	Director
	ÉCOLE VÉTÉRINAIRE DE LYON	Chairman
	FONDATION CENTAURE	Director
	CIC LYONNAISE DE BANQUE	Director
Italy	BIOMÉRIEUX ITALIA SPA	Director
Greece	BIOMÉRIEUX HELLAS	Chairman of the Board of Directors
United States	SILLIKER GROUP CORPORATION	Director

Directorships and functions held by Thierry de la Tour d'Artaise

Country	Company	Function
France	COMPAGNIE PLASTIC OMNIUM SA	Director
	SEB SA	Chairman and Chief Executive Officer
	SEB INTERNATIONALE SAS	Chairman
	CLUB MÉDITERRANÉE SA	Director
	LYONNAISE DE BANQUE	Permanent Representative of Sofinaction
	LEGRAND	Director
China	SUPOR	Director

Resolutions submitted to the Annual Meeting of Shareholders on 28 April 2011

Ordinary resolutions

First resolution

> Approval of the Company financial statements

Having considered the report of the Board of Directors and the Auditors' report on the Company financial statements and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders approve the Company financial statements for the year ended 31 December 2010 as presented, showing net income of €107,967,337, as well as the transactions reflected in those financial statements or referred to in those reports.

Second resolution

> Net income appropriation

Voting under the quorum and majority conditions required for ordinary shareholders' meetings and having noted that the Company's net income for the year amounts to €107,967,337 and retained earnings stand at €232,197,780, the shareholders approve the Board of Directors' recommendation and resolve to appropriate the total net amount of €340,165,117 as follows:

To dividends on the 17,644,599 shares outstanding at 31 December 2010	€24,702,439
To retained earnings	€314,957,191
To the statutory reserve	€505,487
	€340,165,117

Accordingly, the shareholders set the 2010 dividend at €1.40 per share. Individual shareholders resident in France for tax purposes qualify for the 40% tax relief provided for in Article 158-3-2° of the French General Tax Code.

The dividend will be paid as from 6 May 2011, the date proposed by the Board of Directors.

Compagnie Plastic Omnium shares held in treasury on the dividend payment date will be stripped of dividend rights and the related dividends will be credited to retained earnings.

In accordance with the law, the shareholders note that, after deducting dividends not paid on treasury stock, dividends for the last three years were as follows:

Year	Number of shares carrying dividend rights	Total dividends *(in euros)*	Dividend per share* *(in euros)*
2007*	17,385,100 shares carrying dividend rights	12,169,570	0.70
2008*	16,940,234 shares carrying dividend rights	5,929,082	0.35
2009*	16,080,282 shares carrying dividend rights	11,256,197	0.70

** Amounts for 2007, 2008 and 2009 were fully eligible for the 40% tax relief as provided for in article 158-3-2° of the French General Tax Code for individual shareholders resident in France for tax purposes.*

Third resolution

> Approval of a regulated agreement pursuant to article L. 225-38 of the French Commercial Code

Having considered the Auditors' special report on regulated agreements governed by article L. 225-38 of the French Commercial Code and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders approve the agreement entered into during 2010 described therein.

Fourth resolution

> Approval of the consolidated financial statements

Having considered the report of the Board of Directors and the Auditors' report on the consolidated financial statements and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders approve the consolidated financial statements for the year ended 31 December 2010 as presented, showing net income Group share of €139,546 thousand, as well as the transactions reflected in those financial statements or referred to in those reports.

Fifth resolution

> Discharge given to directors

Further to the adoption of the first, second, third and fourth resolutions, the shareholders give discharge to the directors for the performance of their functions during the year.

Sixth resolution

> Authorization to trade in the Company's shares

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders authorize the Board to purchase the Company's shares, in accordance with article L. 225-209 et *seq.* of the French Commercial Code, in order to:

- Maintain a liquid market in the Company's shares through a liquidity agreement with an independent services firm that complies with the Code of Ethics issued by the French Association of Financial Markets (AMAFI).
- Cancel shares pursuant to an authorization to reduce the share capital given by extraordinary resolution of the shareholders.
- Award or sell them to employees or former employees or officers or former officers or the Company and/or companies that are or will be affiliated under the terms and conditions provided by the applicable regulations, in particular in relation to stock option plans, awards of outstanding shares, or corporate or intern company employee shareholding plans.
- Hold shares in treasury for subsequent delivery in exchange or payment for stock in another company in connection with external growth transactions.
- Implement shares for any current or future market practice accepted by the market authorities.

The use of this authorization will be subject to the following restrictions:

- The number of shares that may be purchased for delivery in exchange or payment for stock in another company may not exceed 5% of the Company's capital at the date of this Meeting and the total number of shares that may be bought back under this authorization may not exceed 1,764,460 representing 10% of the Company's capital at the date of this Meeting.
- The per share purchase price may not exceed €153. At 31 December 2010, the Company held 1,479,585 shares in treasury. If these shares are canceled or used, the total amount that the Company may invest to buy back 1,764,460 shares will not exceed €269,962,380.

The shares may be purchased, sold or transferred at any time and by any appropriate method, on the stock market or over-the-counter, including through the use of derivatives traded on an organized market or over-the-counter, as well as through purchases and sales of puts or calls.

This authorization is given for a period of eighteen months from the date of this Meeting and supersedes the unused portion of the authorization given in the sixth resolution of the Annual Shareholders' Meeting of 29 April 2010.

The shareholders authorize the Board of Directors insofar as necessary to adjust the maximum number of shares and maximum purchase price to take account of the impact on the share capital of any changes in the par value of the shares, bonus share issues paid up by capitalizing reserves, stock splits or reverse stock splits, capital redemptions or any other transactions affecting the share capital, within the above-mentioned limit of 10% of the capital and the amount of €269,962,380.

The shareholders give full powers to the Board of Directors to use this authorization, to enter into any agreements, carry out any filing and other formalities particularly with regard to the Autorité des Marchés Financiers or any other authority that might replace it, and more generally, do whatever is necessary.

Seventh resolution

> Re-appointment of a director (Vincent Labruyère)

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders re-elect Vincent Labruyère for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2014 to approve the 2013 financial statements.

Eighth resolution

> Ratification of the cooptation of a director (Anne-Marie Couderc)

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders ratify the Board's cooptation on 20 July 2010 of Anne-Marie Couderc as director to replace Laurence Danon, outgoing director, for the remainder of her predecessor's term expiring at the close of the Shareholders' Meeting held to approve the 2011 financial statements.

Ninth resolution

> Appointment of a director (Anne Asensio)

Having considered the report of the Board of Directors and voting under the quorum and majority conditions required for ordinary shareholders' meetings, the shareholders elect Anne Asensio for a three-year term expiring at the close of the Shareholders' Meeting to be held in 2014 to approve the 2013 financial statements.

Tenth Resolution

> Directors' fees

The shareholders resolve to raise the aggregate amount of directors' fees to €260,000, effective from 2011 and until a new amount is set by the shareholders.

Extraordinary resolutions

Eleventh resolution

> Three-for-one- stock split

Having considered the Board of Directors' report and voting under the quorum and majority conditions required for extraordinary shareholders' meetings, the shareholders resolve as follows:

- To divide the par value of the shares by three, reducing it from €0.50 to €0.16666, and multiply the number of shares comprising the Company's share capital by three.
- To round up the par value of the shares to €0.17, making a difference of €176,455.99.
- To increase the capital from €8,822,299.50 to €8,998,745.49 by capitalizing available reserves in the amount of €176,455.99.
- To amend articles 6 and 11 of the bylaws accordingly, as follows:

Article 6 – Share capital

"The share capital is €8,998,745.49 divided into 52,933,797 shares each with a par value of €0.17 and all of the same class."

The fifth paragraph of article 11 – Board of Directors – is amended as follows:

"Directors must each own at least 300 shares throughout their term of office."

The shareholders duly note that the stock split and corresponding allotment of new shares will have no effect on:

- Double voting rights as provided for in the bylaws, as the new shares issued in exchange for existing shares carrying double voting rights on the allotment date will retain those rights.
- The rights and obligations attached to each share, as the new shares will retain the same rights and obligations as the old shares.

The shareholders also note that the stock split will have the following consequences:

- The number of stock options granted to employees and officers of the Company and/or related companies who meet the conditions set out in article L. 225-180 of the French Commercial Code will be multiplied by three and the exercise price of the stock options will be divided by three.
- The number of stock grants awarded by the Board of Directors to employees and officers of the Company who meet the conditions set out in article L. 225-197-2 of the French Commercial Code will be multiplied by three.
- The maximum number of shares that may be purchased pursuant to the sixth resolution above will be increased to 5,293,980 and the maximum purchase price will be reduced to €51.

This resolution will take effect on 10 May 2011, as Euroclear France will automatically, as of close of business on 9 May 2011, multiply by three the balance of shares held on members' accounts in the case of bearer or registered shares and on individual accounts in the case of shares held in directly registered form.

Twelfth resolution

> Delegation of authority to be given to the Board of Directors to increase the share capital by issuing common shares or common share equivalents of the Company and/or issue securities entitling the allocation of debt instruments with maintenance of preferential subscription rights

Having considered the report of the Board of Directors and the Auditors' report, voting under the quorum and majority conditions required for extraordinary shareholders' meetings, and in accordance with the provisions of the French Commercial Code and particularly articles L. 225-127, L. 225-128, L. 225-129, L. 225-129-2, L. 225-132, L. 225-133, L. 225-134 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders resolve as follows:

- To authorize the Board of Directors to make rights issues of ordinary shares or securities for or without consideration governed by articles L. 228-91 *et seq.* of the French Commercial Code giving the right to obtain either shares or debt securities of the Company. The issues may be made on one or more occasions in the proportions and at the times the Board deems appropriate and may be paid for in cash or set off against claims on the Company.
- The following limits shall apply to issues made pursuant to this authorization:
  - The amount of capital increases made pursuant to this authorization may not exceed €300 million, excluding the par value of any additional shares issued following corporate actions in order to preserve the rights of holders of stock options and share equivalents.
  - The par value of debt securities issued may not exceed €150 million.
  - This authorization is given for a period of twenty-six months from the date of the Meeting;
- If the Board of Directors uses this authorization:
  - The shares or other securities shall first be offered to existing shareholders who shall be entitled as of right to subscribe the issue or issues in proportion to their holdings. The Board of Directors may permit shareholders to apply for an amount of shares in excess of their rights, which will be scaled back in the event of oversubscription.
  - If the total amount of subscriptions received whether as of right or otherwise is lower than the total amount of the issue as defined above, the Board of Directors may use the various options available by law in the order it deems appropriate, including making a public offering of all or some of the remaining shares or other securities on the French market.
  - Stock warrants may be issued to existing shareholders either for consideration under the terms and conditions set out above or without consideration.
  - If stock warrants are issued without consideration, the Board of Directors may decide that any fractional entitlements are not tradable and that the corresponding shares shall be sold. More generally, if the capital is increased by capitalizing reserves, retained earnings or share premiums, whether by issuing new shares or increasing the par value of the existing shares, the Board of Directors may decide that fractional entitlements are not tradable or transferable and that the corresponding shares shall be sold.
- The Board of Directors shall have full powers, with a right of sub-delegation in accordance with the provisions of the law, to use this authorization and set the terms and conditions of the issue, its subscription and payment, duly place on record the resulting capital increases and amend the bylaws accordingly, and more particularly to:
  - Set the terms of exercise of any rights attached to the shares, share equivalents or debt securities to be issued, set the terms of exercise of any conversion, exchange and redemption rights including by distributing assets of the Company such as securities already issued by it.
  - Determine whether debt securities and securities giving the right to obtain debt securities as referred to in article L. 228-91 of the French Commercial Code will be subordinated or not and, where applicable their subordination rank in accordance with the provisions of article L. 228-97 of the French Commercial Code, set the interest rate payable, whether fixed, variable, zero coupon or index-linked, determine whether the securities will be dated or undated, set any other issue terms such as the granting of collateral or guarantees, and the terms of redemption or repayment which may include a distribution of assets of the Company, repurchase on the market or a cash or exchange offer made by the Company, set the terms and conditions on which the securities shall give rights to obtain shares and/or debt securities of the Company, and amend the terms and conditions referred to above during the life of the securities.
  - At its sole initiative, charge the issue expenses against the related share premium as well as any amount required to bring the statutory reserve up to the minimum amount required by law after each capital increase.
  - Determine and make the adjustments required to take account of the impact on the Company's share capital of any changes in the par value of the shares, capital increases by capitalizing reserves, bonus share issues, stock splits or reserve stock splits, distributions of reserves or other assets, capital redemptions or any other transactions affecting the share capital, and to set the terms and conditions for preserving the rights of holders of share equivalents, where applicable.
  - Generally enter into any agreements required to complete the proposed issues, take all measures and decisions, carry out all formalities required for the issue, listing and financial servicing of the securities issued pursuant to this authorization and the exercise of any rights attached thereto or arising from the capital increases made.

Thirteenth resolution

> Delegation of authority to be given to the Board of Directors to increase the number of securities to be issued with preferential subscription rights in application of the 12th resolution

Having considered the report of the Board of Directors and the Auditors' report, voting under the quorum and majority conditions required for extraordinary shareholders' meetings, and in accordance with the provisions of article L. 225-135-1 of the French Commercial Code, the shareholders resolve as follows:

- To authorize the Board of Directors to increase the number of shares or other securities to be issued with pre-emptive rights at the same price as the original issue and within the timeframe and limits permitted by the law applicable on the issue date (currently no later than thirty days after the offer period ends and up to a maximum of 15% of the initial issue) subject to the maximum limit authorized under the twelfth resolution.
- This authorization is given for a period of twenty-six months from the date of this Meeting.

Fourteenth resolution

> Delegation of authority to be given to the Board of Directors to increase the share capital by issuing shares with cancellation of preferential subscription rights in favour of the Group employee savings plans members

Having considered the report of the Board of Directors and the Auditors' report, voting under the quorum and majority conditions required for extraordinary shareholders' meetings, and in accordance with the provisions of article L. 225-129-2, L. 225-129-6 and L. 225-138 of the French Commercial Code and articles L. 3332-18 *et seq.* of the French Labor Code, the shareholders resolve as follows:

- To authorize the Board of Directors to issue shares to current or former employees of the Company or related companies within the meaning of article L. 225-180 of the French Commercial Code who are members of an employee stock ownership plan or to any fund through which they may subscribe to the shares issued. The shares may be issued on one or several occasions at the Board's discretion and at the times and in the proportions it deems appropriate.
- This authorization automatically entails the waiver of shareholders' pre-emptive rights over the shares in favor of the beneficiaries referred to above.
- This authorization is given for a period of twenty-six months from the date of this Meeting and supersedes any previous authorization given for the same purpose.
- The amount of the resulting capital increase shall not exceed 3% of the share capital on the date of this Meeting, i.e., by way of indication as of 15 March 2011, an amount of €264,669 via the issue of 529,338 new shares.
- The price of the shares issued pursuant to this authorization shall be set in accordance with the provisions of article L. 3332-19 of the French Labor Code.
- The Board of Directors shall have full powers to use this authorization within the limits and under the conditions set out above, and notably to:
  - Determine any eligibility conditions for employees or former employees to subscribe the shares issued pursuant to this authorization, either individually or through an employee stock ownership plan.
  - Set the terms and conditions of the issue.
  - Determine those companies whose employees may subscribe the issues.
  - Determine the amount, issue price, date and terms of each issue.
  - Set the period for paying up the shares.
  - Set the dividend entitlement date, which may be retroactive, duly place on record the resulting capital increase and the number of shares actually subscribed or decide to increase the amount of the issue in order to fulfill all the subscriptions received.
  - Charge all related expenses, fees and duties against the share premium as well as any amount that may be required to bring the statutory reserve up to the minimum level required by law.
  - More generally, take any measures, carry out any formalities, take any decisions and enter into any appropriate or necessary agreements to complete the issues made pursuant to this authorization and as required for the issuance, subscription, delivery, dividend entitlement, listing, trading and financial servicing of the new shares issued and the exercise of any related rights, duly place on record the capital increase or increases made pursuant to this authorization and amend the bylaws accordingly.

Fifteenth resolution

> Authorization to be given to the Board of Directors to grant stock options for the purchase of shares of the Company to employees and officers of the Company and/or Group Companies (15th resolution)

Having considered the report of the Board of Directors and the Auditors' special report and voting under the quorum and majority conditions required for extraordinary shareholders' meetings, the shareholders resolve as follows:

- To authorize the Board of Directors in accordance with articles L. 225-177 *et seq.* of the French Commercial Code to grant, on one or more occasions to all or selected employees and officers of the Company or related companies or entities within the meaning of article L. 225-180 of the French Commercial Code, options to purchase existing shares held by the Company within the limits set out by law.

- This authorization is given for a period of thirty-eight months from the date of this Meeting. It supersedes the unused portion of any previous authorization given for the same purpose.
- The total number of options granted pursuant to this resolution may not give rise to a number of shares representing more than 2.5% of the share capital on the date of the Board's decision to grant the options and the number of shares shall be set against the 2.5% limit for stock grants made to employees and/or officers pursuant to the sixteenth resolution below.
- The exercise price of the options shall be determined in accordance with the provisions of articles L. 225-177 and L. 225-179 of the French Commercial Code with no discount.
- The Board of Directors shall have full powers, within the limits set out above and in the bylaws, to use this authorization, and more particularly to:
  - Determine the date of each grant, set the terms of conditions of grant, the list of beneficiaries and the number of options to be granted to each beneficiary.
  - Temporarily suspend exercise of the options in the event of certain corporate actions.
  - Set the terms and conditions of exercise including the exercise price and the exercise periods during the life of the options, which may not exceed ten years.
  - Set a lock-up period during which the beneficiaries may not sell the shares purchased on exercise of their options, which may not exceed three years from the date of exercise.
  - Set the number of shares that officers of the Company are required to hold in registered form throughout their term of office.
  - Determine the conditions on which the price and number of shares to be purchased will be adjusted in the cases provided for by law.
  - Generally do whatever is necessary.
- The Board of Directors shall, as required by law, report on its use of this authorization at each Annual Shareholders' Meeting.
- The Board of Directors shall have full powers to determine any changes or revisions to the terms and conditions of stock options granted prior to this Meeting.

Sixteenth resolution

> Authorization to be given to the Board of Directors to award shares to employees or officers of the Company and/or Group companies

Having considered the report of the Board of Directors and the Auditors' special report and voting under the quorum and majority conditions required for extraordinary shareholders' meetings, the shareholders resolve as follows:

- To authorize the Board of Directors to make stock grants on one or more occasions, in accordance with the provisions of articles L. 225-197-1 et *seq.* of the French Commercial Code.
- This authorization is given for a period of thirty-eight months from the date of this Meeting.
- The total number of shares that may be granted pursuant to this authorization may not exceed 2.5% of the share capital on the date of the Board's decision to make the stock grants. They will be set against the 2.5% limit set in the fifteenth resolution above for granting stock options.
- The vesting period for the stock grants shall be, at the Board of Directors' choice:
  - Either no less than two years for all or some of the shares granted, in which case the lock-up period shall be no less than two years from the vesting date except in the circumstances provided for by law.
  - Or no less than four years for all or some of the shares granted, in which case there is no minimum lock-up requirement.
- The Board of Directors shall have full powers, within the limits set out above, to use this authorization, and more particularly to:
  - Determine the number of shares to be granted to each beneficiary.
  - Set the terms and conditions and any eligibility criteria, including the vesting and lock-up conditions.
  - Provide for the option of deferring the vesting date and amending the lock-up period accordingly (such that the date on which the shares may be sold remains unchanged).
  - Adjust the price of the shares and the number of shares granted in the event of any transactions affecting the par value of the Company's shares.
  - Determine the dates and terms of the grants and exercise conditions in accordance with the provisions of the law and generally do whatever is necessary and enter into any agreements required to complete the stock grants.

Seventeenth resolution

> Powers to carry out formalities

The shareholders give full powers to the bearer of an original, a copy or an extract of the minutes of this Meeting to carry out any and all legal publication formalities.

Statutory Auditors' reports on the Resolutions submitted to the Annual Shareholders Meeting of 28 April 2011

Statutory Auditors' report on the financial statements

> To the Shareholders,

In compliance with the assignment entrusted to us by your Annual Shareholders' meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying financial statements of Compagnie Plastic Omnium;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matter(s):

- Note I to the financial statements describes the accounting policies and methods used to measure shares in subsidiaries and affiliates, and stock options. We verified the appropriateness of the accounting methods applied and reviewed the assumptions used, as well as the resulting values.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

As required by law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Courbevoie and Neuilly-sur-Seine, 25 March 2011

The statutory auditors

French original signed by

ERNST & YOUNG AND OTHERS

FRANCOIS VILLARD

MAZARS

JERÔME DE PASTORS

Statutory Auditors' report on related party agreements and commitments

> To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French commercial code (*Code de Commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial code *(Code de Commerce)* concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body *(Compagnie Nationale des Commissaires aux Comptes)* relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

Agreements and commitments authorized during the year

In accordance with Article L. 225-40 of the French commercial code (*Code de Commerce*), we have been advised of certain related party agreements and commitments which received prior authorization from your Boards of Directors.

Payment for assignment of trademarks

As at 1 January 2010, Inergy Automotive Systems holds a certain number of trademarks.

Further to the total acquisition, with effect as from 8 September 2010, of the shares of companies of the Inergy Automotive Systems group by companies of the Plastic Omnium group, Compagnie Plastic Omnium has stated that it is interested in purchasing this portfolio of trademarks and, in the meanwhile, has requested that it be able to benefit from a concession in its favor of a Trademark operating license in order to manufacture or have manufactured, and/or sell or have sold products covered by all of the Trademarks.

Thus, as from 1 September 2010 and up to the effective date of the transfer, no later than 31 December 2012, in exchange for the use of the Trademarks, including the right of reproduction and the representation right for all of the countries covered, Compagnie Plastic Omnium shall pay Inergy Automotive Systems an annual fee equal to 0.1% of the Sales of all of the Division's entities.

During the financial year ended 31 December 2010, your company recognized a charge of €406,600 in respect of this agreement.

Directors concerned: Laurent Burelle, Paul Henry Lemarié and Jean-Michel Szczerba.

Compagnie Plastic Omnium directly holds 76.8% of the voting rights in Inergy Automotive Systems and 100% of the voting rights in PO Auto, which holds 23.2% of the voting rights in Inergy Automotive Systems.

Agreements and commitments already approved by the general meeting of shareholders

In accordance with Article R. 225-30 of the French commercial code (*Code de Commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

Payments for assignment of trademarks

These trademark assignment agreements, signed in 1998 or later reviewed according to changes in the Group's legal structure provide for payment of an annual fee equal to 0.5% of the non-Group sales of the companies that benefit from these agreements, in return for the use of trademarks owned by Compagnie Plastic Omnium.

During the financial year ended 31 December 2010, your company recognized income of €5,124,253 in respect of these agreements, signed with the following companies:

Entities	Persons concerned:
Compañia Plastic Omnium SA	Laurent Burelle, Jean Burelle, Paul Henry Lemarié and Jean-Michel Szczerba
Plastic Omnium Auto Exteriors LLC	Laurent Burelle and Jean-Michel Szczerba
Plastic Omnium Environnement	Laurent Burelle, Jean Burelle, Paul Henry Lemarié and Jean-Michel Szczerba
Plastic Omnium Auto Extérieur SA	Jean-Michel Szczerba
Plastic Omnium Vernon SAS	Jean-Michel Szczerba

Compagnie Plastic Omnium holds:

- 100% of the voting rights in Compañia Plastic Omnium,
- 100% of the voting rights in Plastic Omnium Auto which holds 100% of the voting rights in Plastic Omnium Inc. which itself holds 100% of the voting rights in Plastic Omnium Auto Exteriors LLC,
- 100% of the voting rights in Plastic Omnium Environnement,
- 100% of the voting rights in Plastic Omnium Auto Exteriors SAS which itself holds 100% of the voting rights in Plastic Omnium Auto Exterieur SA,
- 100% of the voting rights in Plastic Omnium Vernon.

License royalties and Technical Assistance fees

In exchange for the use of Compagnie Plastic Omnium's drawings, models, industrial procedures, know-how and related technical assistance, this agreement, signed in 2001, provides for payment by B.Plas-Plastic Omnium Otomotiv Plastik of an annual fee equal to 1.5% of its net sales of the licensed products.

During the financial year ended 31 December 2010, your company recognized income of €458,790 in respect of this agreement.

Director concerned: Paul Henry Lemarié

Compagnie Plastic Omnium holds 50% of the voting rights in B.Plas-Plastic Omnium Otomotiv Plastik.

Agreement entered into with Burelle SA concerning management services supplied to the Group

Under the terms of this agreement with Burelle SA, the Company paid fees of €1,040,865 in 2010 for Group management services.

Persons concerned: Jean Burelle, Laurent Burelle, Paul Henry Lemarié and Eliane Lemarié.

Under the supplementary pension plan set up in accordance with the authorizations granted by the Board of Directors of Compagnie Plastic Omnium SA and Burelle SA on 11 December 2003 and 19 December 2003 respectively, executive directors are eligible for pension benefits representing up to 10% of their current compensation. Part of the related cost paid by Burelle SA is in principle allocated to Compagnie Plastic Omnium based on the same ratio as that used to calculate its share of management fees. Payments made by Compagnie Plastic Omnium under this agreement amounted to €23,813 in 2010.

Persons concerned: Jean Burelle, Laurent Burelle, Paul Henry Lemarié and Eliane Lemarié.

Neuilly-sur-Seine and Courbevoie, 25 March 2011

The statutory auditors

French original signed by

ERNST & YOUNG AND OTHERS

MAZARS

FRANCOIS VILLARD

JERÔME DE PASTORS

Statutory Auditors' report on the consolidated financial statements

> To the Shareholders,

In compliance with the assignment entrusted to us by your Annual Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying consolidated financial statements of Compagnie Plastic Omnium,
- the justification of our assessments,
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at year ended 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 1.1 to the consolidated financial statements, which describes the change of accounting principles related to the enforcement of the new standards IFRS 3 Revised "Business Combinations" and IAS 27 Revised "Consolidated and separate financial statements". These revised standards have been adopted by the European Union and their application is compulsory for annual periods beginning on or after 1 January 2010.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- Goodwill has been tested for impairment based on the procedures described in Note 1.16 to the consolidated financial statements. The impairment tests were based on the Group's medium-term business plans, as revised to factor in current market conditions. We verified (i) the methods applied to carry out these impairment tests, (ii) the assumptions and projected cash flows used, and (iii) the appropriateness of the disclosures provided in the notes to the consolidated financial statements.
- Note 1.14 to the consolidated financial statements describes the accounting methods used to recognize (i) costs incurred on behalf of manufacturers for the design and development of equipment for new vehicle models, depending on whether they are financed by the customer, and (ii) the expected profits from these projects. We assessed the approach used to measure the expected profits from these projects based on the latest available information.
- Note 1.29 to the consolidated financial statements states that deferred tax assets are recognized for tax loss carryforwards based on the probability of their future use. We reviewed the methods used to assess the recoverability of these tax loss carryforwards, based on the latest available information, and verified their application on a test basis.
- We examined the procedures used by the Group to identify, measure and account for risks, legal disputes and contingent liabilities and ensured that the main legal disputes identified were appropriately described, particularly in Notes 5.2.5 and 6.7 to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

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

Courbevoie and Neuilly-sur-Seine, 25 March 2011

The statutory auditors

French original signed by

ERNST & YOUNG ET AUTRES

FRANCOIS VILLARD

MAZARS

JERÔME DE PASTORS

Statutory Auditors' report on the issue of shares and other securities without cancellation of preferential subscription rights

Annual Shareholders' Meeting of 28 April 2011 (12th and 13th resolutions)

> To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with articles L. 228-92 of the French Commercial Code *(code de commerce)*, we hereby report on the proposal to authorise your Board of Directors to decide whether to proceed with an issue with of shares and other securities which give access to ordinary shares or which give access to the attribution of debt instruments, an operation upon which you are called to vote.

Your Board of Directors proposes that, on the basis of its report, it be authorized for a period of twenty-six months to decide on whether to proceed with one (or several) issues. If applicable, it shall determine the final conditions of this operation.

The global nominal amount of the increases in capital likely to be performed immediately or eventually may not exceed €300 million in respect of this resolution. The global nominal amount of the debt instruments likely to be issued may not exceed €150 million in respect of this resolution.

These caps take account of the additional number of capital securities to be created, within the scope of the implementation of this delegation, under the conditions set out in article L. 225-135-1 of the French Commercial Code *(Code de commerce)*, if you adopt the 13th resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code *(Code de Commerce)*. Our role is to report on the fairness of the financial information taken from the accounts and on other information relating the issue provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors's report relating to this operation and the methods used to determine the issue price of the capital securities.

Despite the legal obligation to do so, the methods for determining the issue price are not provided in this report. Consequently, we are unable to report on these methods.

As the issue price of the capital securities has not yet been determined, we cannot report on the final conditions in which the issue(s) would be performed.

In accordance with article R. 225-116 of the French Commercial Code (*code de commerce*), we will issue a supplementary report, if necessary, when your Board of Directors has exercised this authorization.

Neuilly-sur-Seine and Courbevoie, 25 March 2011

The statutory auditors

French original signed by

ERNST & YOUNG AND OTHERS

FRANCOIS VILLARD

MAZARS

JERÔME DE PASTORS

Statutory Auditors' report on the increase in capital with cancellation of preferential subscription rights reserved for employees who are members of a company savings scheme

Annual Shareholders' Meeting of 28 April 2011 (14th resolution)

> To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with articles L. 225-135 etc. of the French Commercial Code *(Code de commerce)*, we hereby report on the proposal to authorise your Board of Directors to decide whether to proceed with an increase in capital by the issuing of ordinary shares with cancellation of preferential subscription rights of maximum €264,669, reserved for employees or former employees of the company or of companies that are related to it within the meaning of the provisions of article L. 225-180 of the French Commercial Code *(Code de commerce)* who are members of a company savings plan or and any investment trust through which the shares thus issued would be subscribed by them, an operation upon which you are called to vote.

This increase in capital is submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial Code *(Code de commerce)* and L. 3332-18 etc. of the French Labour Code *(Code du travail)*.

Your Board of Directors proposes that, on the basis of its report, it be authorized for a period of twenty-six months to decide on whether to proceed with one (or several) increases in capital and proposes to cancel your preferential subscription rights. If applicable, it shall determine the final conditions of this operation.

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R. 225-113 and R. 225-114 of the French Commercial Code *(Code de commerce)*. Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating the share issue provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body *(Compagnie Nationale des Commissaires aux Comptes)* for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the issue price.

Subject to a subsequent examination of the conditions for the increase(s) in capital that would be decided, we have no matters to report as to the methods used to determine the issue price provided in the Board of Directors' report.

As the issue price has not yet been determined, we cannot report on the final conditions in which the issue(s) would be performed and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code *(code de commerce)*, we will issue a supplementary report, if necessary, when your Board of Directors has exercised this authorization.

Neuilly-sur-Seine and Courbevoie, 25 March 2011

The statutory auditors

French original signed by

ERNST & YOUNG ET AUTRES

FRANCOIS VILLARD

MAZARS

JERÔME DE PASTORS

Statutory Auditors' report on share purchase plans reserved for certain employees and/or corporate officers

Annual Shareholders' Meeting of 28 April 2011 (15^{th} resolution)

> To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with articles L. 225-177 and R. 225-144 of the French Commercial Code *(Code de commerce)*, we hereby report on the share purchase plans reserved for employees and/or corporate officers, or for certain employees and/or corporate officers, of the entity or group entities or combinations of entities within the meaning of article L. 225-180 of the French Commercial Code *(Code de commerce)*.

It is the responsibility of the Board of Directors to prepare a report on the reasons for the share purchase plans and on the proposed methods used to determine the purchase price. Our role is to report on the proposed methods to determine the purchase price.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying that the methods proposed to determine the purchase price included in the Board of Directors' report are in accordance with legal requirements, are easily understood by the shareholders and do not appear manifestly inappropriate.

We have no matters to report as to the methods proposed.

Courbevoie and Neuilly-sur-Seine, 25 March 2011

The statutory auditors

French original signed by

ERNST & YOUNG AND OTHERS

FRANCOIS VILLARD

MAZARS

JERÔME DE PASTORS

Statutory Auditors' report on the free allocation of existing shares reserved for employees and/or corporate officers

Annual Shareholders' Meeting of 28 April 2011 (16th resolution)

> To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with articles L. 225-197-1 of the French commercial code *(Code de commerce)*, we hereby report on the proposed free allocation of existing shares reserved for employees and/or corporate officers' of the entity, or group entities or combinations of entities within the meaning of article L. 225-197-2 of the French Commercial Code *(Code de commerce)*.

Your Board of Directors proposes that it be authorized to allocate existing shares free of charge. It is the responsibility of the Board of Directors to prepare a report on the proposed operation. Our role is to report on any matters relating to the information regarding the proposed operation.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying that the proposed methods included in the Board of Directors' report comply with the legal provisions governing such operations.

We have no matters to report as to the information provided in the Board of Directors' report relating to the proposed free allocation of shares.

Courbevoie and Neuilly-sur-Seine, 25 March 2011

The statutory auditors

French original signed by

ERNST & YOUNG AND OTHERS

FRANCOIS VILLARD

MAZARS

JERÔME DE PASTORS

Consolidated financial statements For the year ended 31 December 2010

Balance sheet

Assets

(in thousands of euros)	Note	31 December 2010	31 December 2009
Goodwill	3.1.2 – 5.1.1	362,549	289,931
Intangible assets	3.1.2 – 5.1.2	284,900	106,932
Property, plant and equipment	3.1.2 – 5.1.3	672,865	526,968
Investment property	3.1.2 – 5.1.4	18,355	17,502
Investments in associates	5.1.5	14,224	12,271
Available-for-sale financial assets*#	5.1.6	1,444	2,083
Other financial assets*	5.1.7	66,591	83,264
Deferred tax assets	5.1.11	70,682	75,732
Total non-current assets		**1,491,610**	**1,114,682**
Inventories	3.1.2 – 5.1.8	273,337	206,049
Finance receivables*	5.1.9 – 5.2.7 (a)	51,034	47,670
Trade receivables	3.1.2 – 5.1.10. (b) – (d)	391,780	262,032
Other receivables	3.1.2 – 5.1.10. (c) – (d)	139,974	119,306
Other short-term financial receivables*	5.1.9 – 5.2.7 (a)	4,098	3,624
Hedging instruments*	5.2.7 (a) – 5.2.8	3,385	–
Cash and cash equivalents*	5.1.12	193,305	134,987
Total current assets		**1,056,914**	**773,668**
Assets held for sale		2,394	5,695
TOTAL ASSETS		2,550,918	1,894,045

Equity and liabilities

(in thousands of euros)	Note	31 December 2010	31 December 2009
Share capital	5.2.1	8,822	8,822
Treasury stock		(37,839)	(39,404)
Additional paid-in capital		89,459	89,459
Other reserves and retained earnings		327,224	287,950
Profit for the period		139,546	27,887
Equity attributable to owners of the parent		**527,212**	**374,714**
Non-controlling interests		79,468	54,856
Total equity		**606,680**	**429,570**
Long-term borrowings*	5.2.7 (a)	723,145	532,530
Provisions for pensions and other post-employment benefits	5.2.5 – 5.2.6	47,074	33,120
Long-term provisions for liabilities and charges	5.2.5	19,187	7,259
Long-term government grants	5.2.4	11,658	10,847
Deferred tax liabilities	5.1.11	53,462	24,234
Total non-current liabilities		**854,526**	**607,989**
Bank overdrafts*	5.2.7 (a)	30,672	33,977
Short-term borrowings*	5.2.7. (a)	90,766	100,447
Other short-term debt*	5.2.7. (a)	7,147	2,746
Hedging instruments*	5.2.7 (a) – 5.2.8	5,362	5,516
Short-term provisions for liabilities and charges	5.2.5	55,649	41,553
Short-term government grants	5.2.4	277	275
Trade payables	5.2.9 (a) – (c)	528,839	387,137
Other operating liabilities	5.2.9 (b) – (c)	371,000	284,836
Total current liabilities		**1,089,712**	**856,486**
Liabilities related to assets held for sale		-	-
TOTAL EQUITY AND LIABILITIES		2,550,918	1,894,045

** Net debt totaled €537.8 million at 31 December 2010 versus €405.7 million at 31 December 2009.*

 # Of which €848 thousand included in the calculation of net debt (see note 5.1.6).

Income statement

(in thousands of euros)	Note	2010	%	2009	%
Revenue	3.1.1 – 3.2	3,249,596	100%	2,458,639	100%
Cost of sales	4.2	(2,755,487)	-84.8%	(2,129,525)	-86.6%
Gross profit		**494,109**	**15.2%**	**329,114**	**13.4%**
Net research and development costs	4.1 – 4.2	(64,867)	-2.0%	(44,227)	-1.8%
Distribution costs	4.2	(56,117)	-1.7%	(52,979)	-2.2%
Administrative expenses	4.2	(145,911)	-4.5%	(129,802)	-5.3%
Operating margin before amortization of intangible assets acquired*		**227,214**	**7.0%**	**102,106**	**4.2%**
Amortization of intangible assets acquired*	4.4	(10,260)	-0.3%	-	-
Operating margin after amortization of intangible assets acquired*		**216,954**	**6.7%**	**102,106**	**4.2%**
Other operating income	4.5	36,591	1.1%	43,724	1.8%
Other operating expenses	4.5	(42,087)	-1.3%	(77,135)	-3.1%
Finance costs – net	4.6	(23,157)	-0.7%	(24,295)	-1.0%
Other financial income and expense – net	4.6	(4,056)	-0.1%	(761)	–
Share of profit/(loss) of associates		(1,871)	-0.1%	(993)	–
Profit from continuing operations before income tax		**182,374**	**5.6%**	**42,646**	**1.7%**
Income tax	4.7	(29,682)	-0.9%	(8,212)	-0.3%
Net profit from continuing operations		**152,692**	**4.7%**	**34,434**	**1.4%**
Net loss from discontinued operations		(2,024)	-0.1%	(3,408)	-0.1%
Net profit		**150,668**	**4.6%**	**31,025**	**1.3%**
Net profit attributable to non-controlling interests		11,122	0.3%	3,138	0.1%
Net profit attributable to owners of the parent		**139,546**	**4.3%**	**27,887**	**1.1%**
Earnings per share attributable to owners of the parent	4.8				
Basic earnings per share (in euros)**		8.68		1.74	
Diluted earnings per share (in euros)***		8.38		1.74	
Earnings per share from continuing operations attributable to owners of the parent	4.8				
Basic earnings per share (in euros)**		8.80		1.96	
Diluted earnings per share (in euros)***		8.49		1.96	

** Intangible assets acquired in business combinations.*
*** Basic earnings per share have been calculated using the number of shares outstanding less treasury stock.*
**** Diluted earnings per share are determined after excluding treasury stock deducted from equity and including shares to be issued on exercise of stock options.*

Statement of comprehensive income

(in thousands of euros)	2010 Total	2010 Gross	2010 Tax	2009 Total	2009 Gross	2009 Tax
Net profit for the period attributable to owners of the parent	139,546	166,928	(27,382)	27,887	35,256	(7,369)
Translation differences	16,537	16,537	-	(3,005)	(3,005)	-
Gains/(losses) for the period	*21,834*	*21,834*	-	-	-	-
Reclassified to the income statement	*(5,297)*	*(5,297)*	-	-	-	-
Actuarial gains/(losses) recognized in equity	978	2,160	(1,182)	(1,198)	(1,058)	(140)
Cash flow hedges	2,611	2,081	530	(865)	(2,069)	1,204
Gains/(losses) for the period	*293*	*(1,208)*	*1,501*	*(3,897)*	*(6,030)*	*2,133*
Reclassified to the income statement	*2,318*	*3,289*	*(971)*	*3,032*	*3,961*	*(929)*
Other comprehensive income	**20,126**	**20,778**	**(652)**	**(5,068)**	**(6,132)**	**1,064**
Comprehensive income attributable to owners of the parent	**159,672**	**187,706**	**(28,034)**	**22,819**	**29,124**	**(6,305)**
Net profit for the period attributable to non-controlling interests	11,124	13,424	(2,300)	3,138	3,981	(843)
Translation differences	2,807	2,807	-	32	32	-
Gains/(losses) for the period	*2,807*	*2,807*	-	*32*	*32*	-
Reclassified to the income statement	-	-	-	-	-	-
Actuarial gains/(losses) recognized in equity	(706)	(706)		(304)	(304)	-
Other comprehensive income	**2,101**	**2,101**	**-**	**(272)**	**(272)**	**-**
Comprehensive income attributable to non-controlling interests	**13,225**	**15,525**	(2,300)	**2,866**	**3,709**	(843)
TOTAL COMPREHENSIVE INCOME	172,897	203,231	(30,334)	25,685	32,833	(7,148)

Consolidated statement of changes in equity

(in thousands of euros or thousands of shares, where appropriate)	Number of shares	Capital	Additional paid-in capital	Treasury stock	Other reserves and retained earnings*	Translation differences	Net profit for the period	Equity: Attributable to owners of the parent	Equity: Attributable to non-controlling interests	Total equity
Equity at 31 December 2008	**18,147**	**9,073**	**97,917**	**(32,213)**	**(398,943)***	**(36,330)**	**(65,399)**	**371,991**	**51,720**	**423,711**
Appropriation of 2008 net profit					(65,399)		65,399	-		-
2009 net profit							27,887	27,887	3,138	31,025
Other comprehensive income	-	-	-	-	(2,063)	(3,005)	-	(5,068)	(272)	(5,340)
Exchange differences on translating foreign operations						*(3,005)*		*(3,005)*	*32*	*(2,973)*
Actuarial gains/(losses) recognized in equity					*(1,198)*			*(1,198)*	*(304)*	*(1,502)*
Cash flow hedges					*(865)*			*(865)*		*(865)*
Treasury stock transactions	-		(640)	(15,261)				(15,901)		(15,901)
Capital reduction	(503)	(252)	(7,818)	8,070				-		-
Changes in scope of consolidation					(312)			(312)	2,107	1,795
Dividends paid by Plastic Omnium					(5,929)			(5,929)		(5,929)
Dividends paid by other Group companies					(69)			(69)	(1,837)	(1,906)
Stock options cost					2,114			2,114		2,114
Other movements								-		-
Equity at 31 December 2009	**17,644**	**8,822**	**89,459**	**(39,404)**	**327,285***	**(39,335)**	**27,887**	**374,714**	**54,856**	**429,570**
Appropriation of 2009 net profit					27,887		(27,887)	-		-
2010 net profit							139,546	139,546	11,124	150,670
Other comprehensive income	-	-	-	-	(20,605)	40,731	-	(20,126)	2,101	22,227
*Exchange differences on translating foreign operations***					*(24,194)*	*40,731*		*16,537*	*2,807*	*19,344*
Actuarial gains/(losses) recognized in equity					*978*			*978*	*(706)*	*272*
Cash flow hedges					*2,611*			*2,611*		*2,611*
Treasury stock transactions	-		-	1,565				1,565		1,565
Capital reduction	-	-	-	-				-		-
Changes in scope of consolidation					16			16	17,931	17,947
Dividends paid by Plastic Omnium					(11,256)			(11,256)	-	(11,256)
Dividends paid by other Group companies								-	(6,544)	(6,544)
Stock option costs					2,501			2,501		2,501
Other movements								-		-
EQUITY AT 31 DECEMBER 2010	**17,644**	**8,822**	**89,459**	**(37,839)**	**325,828***	**1,396**	**139,546**	**527,212**	**79,468**	**606,680**

The dividend per share paid in 2010 by Compagnie Plastic Omnium in respect of 2009 was €0.70 versus Ð0.35 paid at the end of 2009 in respect of 2008.
** A breakdown of "Other reserves and retained earnings" is provided in the table below.*
*** Includes a €(24,194) thousand reclassification to "Other reserves and retained earnings" at 31 December 2010 corresponding to the balance of exchange differences on the date of first-time adoption of IFRSs.*

Analysis of other reserves and retained earnings

(in thousands of euros)	Actuarial gains or losses recognized in equity	Cash-flow hedges	Fair-value adjustments to property, plant and equipment	Retained earnings and other reserves	Attributable to owners of the parent
At 31 December 2008	(13,740)	(4,558)	16,393	400,848	398,943
Change in 2009	(1,198)	(865)	-	(69,595)	(71,658)
At 31 December 2009	(14,938)	(5,423)	16,393	331,253	327,285
Change in 2010	978	2,611	-	(5,046)	(1,457)
At 31 December 2010	(13,960)	(2,812)	16,393	326,207	325,828

Consolidated statement of cash flows

(in thousands of euros)	Note	2010	2009
I – CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	3.1.1	150,668	31,025
Non-cash items		206,625	222,840
Net profit from discontinued operations		*2,024*	*3,408*
Share of profit/(loss) of associates	5.1.5	*1,871*	*993*
Stock option expense		*2,501*	*2,114*
Other adjustments		*(19,546)*	*(1,903)*
Depreciation and provisions for impairment of property, plant and equipment	5.1.3	*103,695*	*106,839*
Amortization and provisions for impairment of intangible assets	5.1.2	*45,488*	*65,203*
Changes in provisions for liabilities and charges		*20,138*	*2,001*
Net (gains)/losses on disposals of fixed assets		*1,093*	*15,658*
Proceeds from operating grants recognized in the income statement		*(1,762)*	*(1,032)*
Current and deferred taxes	4.7	*29,682*	*8,212*
Interest expense		*21,441*	*21,347*
Funds from operations (A)		357,293	253,865
Change in inventories and work-in-progress - net		(1,570)	90,919
Change in trade receivables - net		(44,252)	12,846
Change in trade payables		38,275	(62,309)
Change in other operating assets and liabilities - net		17,921	11,016
Change in working capital (B)		10,374	52,472
Taxes paid (C)		(15,581)	(16,451)
Interest paid		(21,632)	(25,425)
Interest received		1,274	653
Net interest paid (D)		(20,358)	(24,772)
Net cash generated by operating activities (A + B + C + D)		**331,728**	**265,114**
II – CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	3.1.3 – 5.1.3	(95,156)	(68,465)
Acquisitions of intangible assets	3.1.3 – 5.1.2	(59,425)	(34,463)
Proceeds from disposals of property, plant and equipment		12,089	23,260
Proceeds from disposals of intangible assets		4,232	6,053
Net change in advances to suppliers of fixed assets		(1,305)	(7,692)
Government grants received		1,704	(2,403)
Net cash used in operations-related investing activities (E)		(137,862)	(83,710)
Free cash flow (A + B + C + D + E)*		**193,866**	**181,404**
Acquisitions of subsidiaries and associates	5.1.13	(301,162)	(1,122)
Acquisitions of available-for-sale financial assets		(26)	(1,742)
Disposals of available-for-sale financial assets		611	243
Impact of changes in scope of consolidation (newly consolidated companies)		20,420	756
Impact of changes in scope of consolidation (deconsolidations)		(252)	(109)
Net cash used in financial investing activities (F)		(280,408)	(1,973)
Net cash used in investing activities (E + F)		**(418,270)**	**(85,683)**

(in thousands of euros)	Note	2010	2009
III – CASH FLOWS FROM FINANCING ACTIVITIES			
Capital increase/(reduction)		-	-
Purchases of treasury stock, net		1,565	(15,901)
Dividends paid to Burelle SA		(6,761)	(3,423)
Dividends paid to other shareholders		(11,039)	(4,412)
Proceeds from new borrowings		265,713	253,878
Repayment of borrowings		(105,147)	(378,861)
Net cash (used in) provided by financing activities (G)		144,332	(148,720)
Discontinued operations (H)		(1,942)	(3,559)
Effect of exchange rate changes (I)		5,777	(1,855)
Net change in cash and cash equivalents (A + B + C + D + E + F + G + H + I)		**61,623**	**25,297**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5.1.12	101,010	75,713
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	5.1.12	162,633	101,010

** "Free cash flow" is an indicator specific to Plastic Omnium and is determined before cash flows from financial investing activities. It is used in all external financial reporting (press releases) and in annual and half-yearly results presentations.*

Notes to the consolidated financial statements

Plastic Omnium's consolidated financial statements for the year ended 31 December 2010 were approved for publication by the Board of Directors on 15 March 2011. They will be submitted for approval at the Annual Shareholders' Meeting to be held on 28 April 2011.

Presentation of the group

Compagnie Plastic Omnium, a company governed by French law, was set up in 1946. Its term ends in 2017 unless further extended. It is registered in the Lyon Companies Register under number 955 512 611 and its registered office is at 19, avenue Jules Carteret, 69007 Lyon.

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

Plastic Omnium is a world leader in plastics with two core businesses – Automotive (auto parts, body modules and fuel systems) and Environment (on-site waste handling and road signage for local authorities) – which account for about 85.5% and 14.5% respectively of consolidated revenue.

Plastic Omnium shares have been traded on the Paris Bourse since 1965. They are listed on Eurolist, compartment B, and are part of the SBF 120 index and, since 21 March 2011, the CAC Mid 60 index. The Group's main shareholder is Burelle SA, which owned 54.74% of outstanding shares (59.85% excluding treasury stock) at 31 December 2010.

1. Accounting policies

> 1.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with the international financial reporting standards (IFRSs) and related interpretations adopted by the European Union at 31 December 2010, which are available at *http://ec.europa.eu/internal_market/accounting/ias_en.tm#adopted-commission*. IFRSs include International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and interpretations published by the International Financial Reporting Interpretations Committee (IFRICs).

The Group has applied the standards and interpretations applicable at 31 December 2010 as published by the IASB.

The accounting policies applied to prepare the 2010 financial statements are the same as those used in 2009, except for the adoption of the following new standards and interpretations which were applicable for the first time in 2010:

- IFRS 3 (Revised) - Business Combinations and IAS 27 (Amended) - Consolidated and Separate Financial Statements.

The Group has applied these standards since 1 January 2010. IFRS 3R introduces major changes in the method of accounting for business combinations completed after 1 January 2010. These changes involve the measurement of non-controlling interests, accounting for acquisition-related expenses, accounting for tax assets after the measurement period, and business combinations achieved in stages. They have an impact on the amount of recognized goodwill, net earnings for the period in which the acquisition took place and net earnings in subsequent periods. IFRS 3R had a significant impact on the 2010 financial statements following the Group's acquisition of a controlling interest in Inergy on 31 August 2010. The interest previously held by the Group was remeasured at its fair value and the resulting gain was recognized in profit or loss under "Other operating income".

IAS 27A requires changes in percentage interest in a subsidiary without loss of control to be accounted for as equity transactions with owners. Accordingly, no goodwill and no gain or loss is recognized. It also introduces a change in the method of accounting for a subsidiary's losses and for the partial disposal of an investment in a subsidiary that results in loss of control. IAS 27A had no impact on the 2010 financial statements.

- IFRIC 18 Transfers of Assets from Customers.

This interpretation applies to agreements in which an entity receives cash from a customer that must be used only to acquire or construct an item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both). It had no material impact on the 2010 financial statements.

Other amendments that are applicable for annual periods beginning on or after 1 January 2010 are IFRS 2 – Shared-based Payment: Group Cash-settled, Share-based Payment Arrangements, IAS 39 – Eligible Hedged Items, IFRIC 12 – Service Concession Arrangements, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 16 – Hedges of a Net Investment in a Foreign Operation and IFRIC 17 – Distributions of Non-cash Assets for Owners, and the May 2010 annual improvements to IFRSs. These amendments are either not relevant to the Group or did not have a material impact on the consolidated financial statements.

The Group has not early adopted those standards, interpretations and amendments that are applicable for annual periods beginning on or after 1 January 2011. Their adoption is not expected to have a material impact on the consolidated financial statements.

> 1.2. Use of estimates

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of certain assets, liabilities, income, expenses and commitments. These estimates and assumptions are reviewed by senior management at regular intervals. Actual results may differ from these estimates if the underlying assumptions are changed to reflect experience or changes in circumstances or economic conditions.

As a general rule, estimates and assumptions are based on the latest available information on the balance sheet date. Estimates may be revised depending on developments in the underlying assumptions. The assumptions used mainly concerned:

- Deferred taxes:

  The recognition of deferred tax assets depends on the probability of sufficient taxable earnings being generated to permit their utilization. The Group makes regular estimates of future taxable earnings, mainly in its medium-term business plans. These estimates take account of the recurring or non-recurring nature of certain losses and expenses.

- Pension and other employee benefit obligations:

  For defined benefit plans, the projected benefit obligation is calculated by independent actuaries using techniques and assumptions (see note 1.21.2 and 5.2.6 b) that are based on:

  - discount rates for pension and other long-term benefit plans;
  - estimated long-term yields on plan assets;
  - healthcare cost trends in the United States;
  - expected employee turnover and future salary increases.

- Asset impairment tests:

  Determining the recoverable amount of a cash generating unit (CGU) or group of CGUs involves estimating its fair value less costs to sell and its value in use based on discounted future cash flows. Assumptions about discount rates and future growth in operating cash flows can have a material impact on these estimates.

> 1.3. Consolidation principles

Entities in which the Group owns more than 50% of the voting rights are fully consolidated. Entities in which the Group owns less than 50% but that are controlled in substance are also fully consolidated.

Joint ventures, corresponding to jointly controlled entities in which control is shared with one or more partners, are proportionately consolidated, irrespective of the percentage interest held, by incorporating in the Group's financial statements its proportionate share of assets, liabilities, income and expenses.

Associates, corresponding to entities over which the Group has significant influence, are accounted for using the equity method. Significant influence is presumed to exist when the Group owns more than 20% of the voting rights.

> 1.4. Non-controlling interests

Non-controlling interests correspond to the share of the Group's equity attributable to outside shareholders. They are presented in the consolidated balance sheet within equity, separately from equity attributable to owners of the parent. Non-controlling interests in profit or loss are also disclosed separately.

Under IFRS 3R, non-controlling interests in an acquiree may be measured either at the acquisition-date fair value (i.e. with a share of the goodwill) or at their proportionate share of the fair value of the acquiree's identifiable net assets. The option is available on a transaction-by-transaction basis.

The Group applies the following accounting treatment to transactions with non-controlling interests that do not result in a change of control:

- For purchases of additional interests in an entity that is already controlled, the difference between the acquisition cost and the acquired share of the carrying amount of the subsidiary's net assets is recorded in equity.
- Gains or losses on disposals of interests that do not result in loss of control are also recorded in equity.

This accounting treatment complies with the provisions of IAS 27A and is unchanged from the previous year.

> 1.5. Segment information

In accordance with IFRS 8 – Operating Segments, segment information is presented in a manner consistent with the internal reporting provided to Group Management for allocating resources and assessing performance of the operating segments.

The acquisition of a controlling interest in Inergy during 2010 has enabled the Group to introduce an organization and deploy its strategy within a single Automotive segment encompassing both vehicle body parts and plastic fuel systems.

The Group now has two operating segments:

- "Automotive", which covers the design, manufacture and marketing of vehicle body parts and plastic fuel systems.
- "Environment", which covers products and services for local authorities, including Sulo Urban Systems waste pre-collection and management equipment and services, and Signature for road and highway signage.

The combination of vehicle body parts and plastic fuel systems into a single operating segment had no impact on the reportable segments as defined by IFRS 8.

> 1.6. Business combinations

Business combinations are accounted for by the acquisition method in accordance with IFRS 3R. Under this method, identifiable assets, liabilities and contingent liabilities acquired are recognized at their acquisition-date fair values.

Goodwill is recognized as the excess of (i) the consideration transferred to the vendor plus (ii) the amount of any non-controlling interest in the acquiree over (iii) the net of the acquisition-date amounts of the identifiable assets and liabilities acquired, measured in accordance with IFRS 3R. In a business combination achieved in stages, the consideration shall also include the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree.

Acquisition-related costs are no longer included in the consideration transferred but expensed as incurred, in accordance with IFRS 3R.

The fair values of assets and liabilities acquired may be adjusted through goodwill for a period of twelve months after the acquisition date. After that date, any changes in fair values are recognized in profit or loss, including any changes in recognized deferred tax assets.

> 1.7. Translation of the financial statements of foreign subsidiaries

Plastic Omnium uses the euro as its presentation currency in the consolidated financial statements. Financial statements of foreign subsidiaries are prepared in their functional currency[1] and translated into euros as follows:

- assets and liabilities, other than equity, are translated at the exchange rate on the balance sheet date;
- income and expenses are translated at the average exchange rate for the period;
- differences arising on translation are recognized in equity.

Goodwill arising on the acquisition of foreign operations is recognized in the functional currency of the foreign operation and then translated into the presentation currency at the closing rate. The resulting translation difference is recognized in equity. On disposal of the entire interest in a foreign operation, the cumulative translation difference initially recognized in equity is reclassified to the income statement.

> 1.8. Translation of transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate on the transaction date. At the balance sheet date, foreign currency monetary items are translated using the closing rate.

The resulting exchange difference is recognized under other operating income or expenses for transactions related to operating activities, and under financial income or expenses for financial transactions.

Borrowings denominated in foreign currency whose settlement is neither planned nor probable in the foreseeable future are considered to form part of the Plastic Omnium Group's net investment in the related foreign operation and any foreign exchange differences are recognized in equity.

> 1.9. Revenue

Revenue from the sale of goods and services is recognized when the risks and rewards of ownership are transferred, when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably.

Sales of goods

Revenue from the sale of goods and from wholesale transactions is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer, generally on delivery.

Sales of services and tooling

If the customer has given a payment guarantee, tooling and development revenue is recognized on the basis of the stage of completion validated by the customer and, at the latest, on the first day of series production.

If payment is not guaranteed (financing by "development unit" with no volume guarantee), tooling and development revenue is deferred across the life of the series.

Most Plastic Omnium Urban Systems lease-maintenance contracts are operating leases. Revenue from lease-maintenance contracts classified as operating leases is recognized on a straight-line basis over the lease term. Services provided under contracts classified as finance leases are recognized as a sale, for an amount corresponding to the sum of the survey and installation costs and the estimated sale price of the leased equipment.

Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts and volume rebates allowed by the Group as well as any sales tax or customs duties.

> 1.10. Receivables

Receivables are initially recognized at fair value. Fair value generally represents the nominal amount of the receivable when the corresponding sale is subject to routine payment terms. Provisions for doubtful accounts are recorded when

(1) The functional currency is the currency of the economic environment in which an entity operates. It is usually the local currency, except for certain subsidiaries that carry out the majority of their transactions in another currency.

there is objective evidence that the receivables are impaired. The amount of any provisions is determined separately for each customer.

Finance receivables correspond primarily to Plastic Omnium Environment lease-maintenance contracts classified as finance leases, and to sales of “development, tooling or equipment units” billed at a specific unit price for which payment is contractually guaranteed by the customer. These latter receivables are originally due in more than one year and are interest-bearing. The corresponding finance income is recognized in revenue. Finance receivables are deducted from the calculation of net debt.

Sold receivables are derecognized in accordance with IAS 39 when they meet the following conditions:

- the contractual rights to the receivable are transferred to the buyer;
- substantially all the risks and rewards of ownership are transferred to the buyer;
- control over the receivable is transferred to the buyer.

The risks taken into account are:

- credit risk;
- risk related to payment arrears (amount and duration);
- interest rate risk, which is transferred in full to the buyer.

> 1.11. Operating margin

Operating margin corresponds to profit from fully consolidated companies before other operating income and expenses, which consist mainly of:

- gains from disposals of property, plant and equipment and intangible assets;
- impairment losses on property, plant and equipment and intangible assets (non-current), including goodwill;
- translation differences corresponding to the difference between the exchange rates used to account for operating receivables and payables and those used to account for the related settlements;
- income and expenses that are unusual in nature, frequency or amount, such as expenses related to the start-up of new plants, restructuring costs and rightsizing costs.

The impacts related to the amortization of customer contracts acquired in business combinations are recognized in the operating margin on a separate line item. Since 2010, therefore, the Group has presented operating margin before as well as after amortization of intangible assets acquired in business operations.

Operating margin before amortization of intangible assets acquired in business combinations is the Group’s main performance indicator and is similar to operating margin as presented in prior periods.

> 1.12. Research tax credit

Certain research expenditure by Group subsidiaries qualifies for French tax credits. These credits are included in operating margin under the heading “Net research and development costs” (see notes 4.1 and 4.2).

> 1.13. Right to individual training

The right to individual training (DIF) was introduced by the Act of 4 May 2004, which gives all employees, regardless of their qualifications, the right to a certain number of hours training each year, at their own initiative and subject to employer approval.

The law stipulates that each employee may ask for at least 20 hours of training per calendar year, capped at 120 hours. To date, the Group has not recognized a provision for individual training rights due to the very low take-up by employees.

> 1.14. Intangible assets

1.14.1 Research and development costs

In accordance with IAS 38 – Intangible Assets, material development costs are recognized as an intangible asset when the entity can demonstrate:

- its intention to complete the project and the availability of adequate technical and financial resources to do so;
- how the project will generate probable future economic benefits; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Automotive business development costs

Research and development costs covered by a customer payment guarantee are recognized based on the stage of completion validated by the customer. The recognition policy is described in note 1.9.

Costs incurred on orders for specific tooling and molds paid by the customer before production begins are recognized in inventories. Revenue from the developed products is recognized on the date of technical acceptance, or, at the latest, on the first day of series production. Amounts received in the period prior to technical acceptance are recorded under “Customer prepayments”.

- Development costs for “development units” not covered by a contractual volume undertaking from the customer are recognized as intangible assets in progress during the development phase.

Capitalized development costs are amortized when daily output reaches 30% of estimated production and, at the latest, three months after the launch of series production.

Amortization is calculated on a straight-line basis over the estimated period of series production, which averages three years.

Other research and development costs

Other research and development costs are recognized as an expense for the period in which they are incurred.

1.14.2 Other intangible assets

Other intangible assets are measured at cost less accumulated amortization and impairment losses. They are amortized on a straight-line basis over their estimated useful lives.

They mainly include Inergy customer contracts acquired, which are amortized over a period of seven years.

These assets are tested for impairment whenever there is objective evidence that they are impaired.

> 1.15. Start-up costs

Start-up costs on new production capacity or processes, including the related organizational costs, are recognized as an expense for the period in which they are incurred.

> 1.16. Goodwill and impairment testing

Goodwill represents the excess of the cost of a business combination over the acquirer's interest in the acquisition-date fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed.

In compliance with IFRS, goodwill is not amortized but is tested for impairment at least once a year at the year-end and on the interim balance sheet date if there is objective evidence of impairment.

Impairment tests are carried out at the level of each cash generating unit (CGU) or group of CGUs, which are:

- Automotive
- Sulo Urban Systems
- Signature

The Group has two reportable segments – Automotive and Environment (see note 1.5). Information on goodwill is presented based on the same segment analysis (see note 5.1.1).

The carrying amount of each CGU's assets (including goodwill) is compared with its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use, determined by the discounted cash flows method.

Future cash flows are estimated based on the Group's three-year business plan, revised where necessary to take into account the most recent market conditions. The terminal value is calculated by capitalizing projected cash flows for the last year covered by the business plan, using a long-term growth rate that reflects the outlook for the market concerned. The cash flow projections are then discounted.

For 2010, the following assumptions were used for the Group's operating segments:

- Automotive: a 1.5% perpetual growth rate and a 9% after-tax discount rate;
- Environment: a 1.5% perpetual growth rate and a 7.5% after-tax discount rate.

The growth rates are in line with those used in the market for the relevant segment.

Discount rates are based on:

- a sector risk premium;
- a risk-free interest rate plus the risk premium generally applied to the segment concerned;
- rates used by comparable companies in the segment concerned.

Based on impairment testing, no impairment losses were recognized on goodwill at 31 December 2010. A 0.5% increase in the discount rate or a 0.5% decrease in the long-term growth rate would not have had a material impact on the test results.

As stated above, in 2010 the Automotive businesses were combined within a single operating segment (see note 1.5) and were tested at that level.

Negative goodwill is recorded in the income statement during the acquisition period. Goodwill is measured annually at cost, less any accumulated impairment losses.

> 1.17. Property, plant and equipment

Gross value

Property, plant and equipment are initially recorded at purchase cost, or production cost for assets manufactured by the Group (or a subcontractor) for its own use, or at fair value in the case of assets acquired without consideration.

After initial recognition, property, plant and equipment are measured using the cost model, except for buildings that the Group uses as offices and the land on which the buildings are constructed. In these cases, the revaluation model is applied in accordance with the option available under paragraph 31 of IAS 16. The same accounting treatment is applied for the land on which the property is constructed. This treatment is not currently applied to any of the Group's property assets as the office building owned by the Group at Nanterre is classified as investment property.

The value of the Group's industrial buildings and related land is measured using the cost model. Maintenance and repair costs incurred to restore or maintain the future economic benefits expected based on the asset's estimated level of performance at the time of acquisition are recognized as an expense.

In accordance with IAS 17 – Leases, assets acquired under finance leases are recognized in property, plant and equipment at the lower of their fair value at the inception of the lease and the present value of future minimum lease payments. They are depreciated at the same rate as assets that are owned outright. Contracts classified as finance leases primarily concern industrial buildings, major functional assemblies such as paint lines and presses, and containers leased by Plastic Omnium Environment.

Depreciation

Property, plant and equipment are depreciated by the straight-line method over the following estimated useful lives:

Buildings and fixtures	20-40 years
Presses, blow-molding and transformation machines	$6^{2/3}$-12 years
Machining, finishing and other equipment	3-$6^{2/3}$ years
Containers (Plastic Omnium Environment)	8 years

In accordance with IAS 16 – Property, Plant and Equipment, each significant part of property assets and major functional assemblies, such as paint lines, presses and blow-molding machines, is depreciated separately over its specific estimated useful life.

Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment when the decision is made to withdraw a product manufactured using the assets concerned or to close a facility.

> 1.18. Investment property

Investment property does not form part of the Group's ordinary business activities. It comprises:

- properties that are not occupied on the balance sheet date and whose use has yet to be decided;
- properties held for their long-term appreciation, which are leased to third parties under operating leases.

The Group may decide to use all or part of an unoccupied property (in which case the relevant part is reclassified as owner-occupied property falling within the scope of IAS 16) or to lease it to third parties under one or more operating leases.

Properties or parts of properties reclassified as owner-occupied property are transferred to property, plant and equipment at their carrying amount on the reclassification date, in accordance with IAS 16, paragraph 31.

Owner-occupied properties or parts of properties reclassified as investment property are transferred at their carrying amount on the reclassification date and are subsequently measured at fair value through profit or loss in accordance with IAS 40.

Investment property is measured at fair value at the balance sheet date, with changes in fair value recognized in profit or loss. The same accounting treatment is applied for the land on which the property is constructed. These buildings and land are valued at the year-end by an independent valuer. Between two valuations the valuer informs the Group if the real estate market has undergone any significant changes. The fair value determined by the valuer is calculated by direct reference to observable prices in an active market.

> 1.19. Inventories

1.19.1. Raw materials and supplies

Raw materials and supplies are measured at the lower of cost and net realizable value.

A provision for impairment is recorded when the estimated selling price of the related finished products in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale, is less than the carrying amount of the raw materials or supplies.

1.19.2. Finished and semi-finished products

Finished and semi-finished products are measured at standard production cost, adjusted annually. Cost includes raw materials and direct and indirect production costs. It does not include any administrative overheads or data processing costs that do not contribute to bringing the products to their present location and condition, or any research and development or distribution costs. It does not include the cost of any below normal capacity utilization.

At each balance sheet date, the carrying amount of finished and semi-finished products is compared to their net realizable value, determined as explained above, and a provision for impairment is recorded when necessary.

> 1.20. Provisions for liabilities and charges

Provisions for liabilities and charges are recorded when the Group has a present obligation, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and no equivalent benefit is expected to be received in return. They are recognized in current liabilities because the obligation is generally expected to be settled within one year.

The cost of downsizing plans is recognized in the period when a detailed plan has been drawn up and announced to the employees concerned or their representatives.

> 1.21. Provisions for pensions and other post-employment benefits

All Group employees are covered by pension and other long-term and post-employment benefit plans, which comprise both defined contribution and defined benefit plans.

1.21.1. Defined contribution plans

The cost of defined contribution plans, corresponding to salary-based contributions to government-sponsored pension and death/disability insurance plans made in accordance with local laws and practices, is recognized in operating expense. The Group has no legal or constructive obligation to pay any additional contributions or any future benefits. Consequently, no benefit obligation is recognized in respect of these defined contribution plans.

1.21.2. Defined benefit plans

Defined benefit plans are post-employment benefit plans, consisting mainly of length-of-service awards payable to employees of the French companies in the Group, and:

- pension and supplementary pension plans, mainly in the United States and France;
- plans for the payment of healthcare costs of retired employees, in the United States.

Provisions recognized for defined benefit plans are calculated using the projected unit credit method (the accrued benefit method pro-rated on service) in accordance with IAS 19 – Employee Benefits.

These calculations take into account:

- retirement age assumptions based on local legislation and in France, voluntary retirement when full benefit rights have been acquired;
- mortality assumptions;
- the probability of active employees leaving the Group before retirement age;
- estimated salary increases up to retirement;
- discount and inflation rate assumptions.

In the case of funded defined benefit plans, the obligation is calculated each year by independent actuaries and deducted from the fair value of plan assets at the year-end. These valuations factor in assumptions concerning the long-term yield on plan assets.

Changes in provisions for pensions and post-employment benefits are recognized over the benefit vesting period in operating expenses, except for:

- the interest cost, which is recognized in financial expense;
- actuarial gains and losses on post-employment benefit obligations, which are recognized in equity;

Plastic Omnium has elected to recognize actuarial gains and losses on defined benefit plans directly in equity with no deferral, in accordance with the amendment to IAS 19 – Actuarial Gains and Losses, Group Plans and Disclosures.

1.21.3. Other long-term benefit plans

Other long-term benefits mainly correspond to jubilees payable to employees of French companies in the Group.

In accordance with paragraph 129 of IAS 19, actuarial gains and losses on other long-term benefit plans (mainly jubilees) are recognized immediately through profit or loss.

> 1.22. Short-term government grants

Government grants received are recognized as a liability in the balance sheet and correspond to grants related to investments in new facilities, production equipment or research and development programs.

They are reclassified in gross profit, over the periods and in the proportions in which the acquired assets are depreciated, or when the research and development programs are not successful.

> 1.23. Treasury stock

Treasury stock is recorded as a deduction from equity, regardless of the purpose for which the shares are being held.

Gains and losses on sales of treasury stock are recorded directly in equity, without affecting profit for the year.

> 1.24. Stock option plans

In accordance with IFRS 2 – Share-Based Payment, employee stock options are measured at their fair value at the grant date, using the Black & Scholes option pricing model.

The fair value is recognized in employee benefits expense on a straight-line basis over the option vesting period, with a corresponding adjustment to reserves.

> 1.25. Financial assets (other than derivatives)

Financial assets include equity interests in companies that are not consolidated because they are not controlled by the Group (either alone or jointly with a partner) or because the Group does not exercise significant influence over their management, as well as loans and securities. They are measured in accordance with IAS 32 and IAS 39.

They are classified as non-current assets, except for assets maturing within twelve months of the balance sheet date, which are recorded under current assets or cash equivalents, as appropriate.

1.25.1. Available-for-sale financial assets

Equity interests in companies over which the Group does not exercise control or significant influence are classified as available-for-sale financial assets. They are measured at fair value on the balance sheet date and changes in fair value are recognized directly in equity. An impairment loss is recognized when there is objective evidence of a prolonged decline in the recoverable amount of the shares below their cost. Any such impairment losses may not be reversed.

1.25.2. Other financial assets

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

> 1.26. Derivative instruments and hedge accounting

The Group uses derivative instruments traded on organized markets or over-the-counter to manage its exposure to interest rate risks. In accordance with IAS 39, these hedging instruments are recognized in the balance sheet and measured at fair value on the basis of market prices provided by financial organizations.

The Group has opted to apply cash flow hedge accounting within the meaning of IAS 39. Accordingly, the effective portion of the change in fair value of interest rate hedges is recognized in the statement of changes in equity and the ineffective portion is recognized in financial income or expense.

> 1.27. Cash and cash equivalents

In accordance with IAS 7 – Cash Flow Statements, cash and cash equivalents presented in the cash flow statement are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash comprises cash at bank and in hand, short-term deposits and bank balances in credit, except for funds used to cover short- or medium-term cash needs for routine transactions, as these are considered to represent sources of financing. Cash equivalents correspond to investments with short-term maturities held for the purpose of temporarily investing surplus cash. They include marketable securities, units in money market mutual funds, and money market securities. Cash and cash equivalents are measured at fair value and changes in their fair value are recognized in the income statement.

> 1.28. Assets held for sale and discontinued operations

The following items are classified as assets held for sale:

- assets or groups of assets (disposal group) whose carrying amount will be recovered principally through a sale transaction rather than through continuing use;
- businesses and entities acquired with a view to their subsequent sale.

Liabilities related to assets, disposal groups or business operations held for sale are presented as a separate item in the balance sheet.

Assets classified in this category are no longer depreciated. They are measured at the lower of their carrying amount and estimated sale price less costs to sell. Any impairment losses are recognized through profit or loss in “other operating expense”.

Assets and operations may be classified in this category for more than a year only if they meet the conditions set out in IFRS 5.

In the balance sheet, prior year data are not adjusted to reflect the reclassification of assets held for sale.

In the income statement, the results of business operations or entities that meet the definition of a discontinued operation and any gain or loss on their disposal are presented as a separate line item entitled “Profit/(loss) from discontinued operations”.

> 1.29. Income tax

In accordance with IAS 12, deferred taxes recognized on temporary differences between the carrying amount of assets and liabilities and their tax base are not discounted.

Deferred taxes are calculated using the liability method based on the most recent enacted tax rate at the balance sheet date that is expected to apply to the period in which the temporary differences reverse.

Deferred tax assets corresponding to tax credits, tax loss carryforwards and other temporary differences are recognized based on the probability of sufficient taxable earnings being generated to permit their utilization.

2. Significant events of the year

> 2.1. Buy-out of Inergy Automotive Systems

2.1.1. Accounting for the business combination

In early September 2010, the Plastic Omnium Group acquired full control of Inergy Automotive Systems, the world leader in fuel systems, after purchasing the 50% interest owned by Solvay for a total consideration of €270 million. The Group now owns 100% of the share capital and voting rights.

In accordance with IFRS 3R, this acquisition gave rise to:

- measurement of the Group's previously held interest at its fair value;
- recognition of 100% of the fair value of the Inergy's assets and liabilities;
- accounting for the acquisition-related costs as operating expenses.

Measurement of the previously held interest at fair value:

The difference between the fair value and the carrying amount of the previously held interest, including goodwill, amounted to €18.8 million and was recognized in profit or loss under other operating income.

Initial accounting for the acquisition:

The consideration transferred was allocated on a provisional basis at 31 December 2010. The final allocation will be determined within twelve months of the acquisition date in accordance with IFRS 3R. This led to the recognition of amortizable intangible assets, mainly customer contracts, and a provisional amount of goodwill. The following table analysis of the consideration transferred:

(In thousands of euros)	
Consideration transferred for 100% (including the fair value of the previously held 50% interest)	515,534
Inergy net equity	275,561
Fair value of customer contracts	108,000
Fair value of Inergy brand	7,000
Revaluation of inventories	5,000
Deferred taxes	(32,000)
Provisional goodwill	151,973

Identifiable assets and liabilities acquired break down as follows:

(in thousands of euros)	Carrying amount	Adjustments	Fair value
Assets			
Goodwill	-	151,973	151,973
Intangible assets	99,058	7,000	106,058
Property, plant and equipment	242,082	-	242,082
Customer contracts	-	108,000	108,000
Other financial assets	3,934	-	3,934
Deferred tax assets	17,975	-	17,975
TOTAL NON-CURRENT ASSETS	363,049	266,973	630,022
Inventories	99,878	5,000	104,878
Trade receivables	128,198	-	128,198
Other receivables	54,176	-	54,176
Other short-term financial receivables	30	-	30
Cash and cash equivalents	66,066	-	66,066
TOTAL CURRENT ASSETS	348,348	5,000	353,348
TOTAL ASSETS	711,397	271,973	983,370
Equity and liabilities			
Equity attributable to owners of the parent	**275,561**	**239,973**	**515,534**
Non-controlling interests	-	-	-
TOTAL EQUITY	275,561	239,973	515,534
Long-term borrowings	23,288	-	23,288
Provisions for pensions and other post-employment benefits	24,988	-	24,988
Long-term provisions for liabilities and charges	2,740	-	2,740
Long-term government grants	1,566	-	1,566
Deferred tax liabilities	17,990	32,000	49,990
TOTAL NON-CURRENT LIABILITIES	70,572	32,000	102,572
Bank overdrafts	33,844	-	33,844
Short-term borrowings	39,428	-	39,428
Short-term provisions for liabilities and charges	6,870	-	6,870
Trade payables	174,274	-	174,274
Other operating liabilities	110,848	-	110,848
TOTAL CURRENT LIABILITIES	365,264	-	365,264
TOTAL EQUITY AND LIABILITIES	711,397	271,973	983,370

The acquisition gave rise to the recognition of assets that were not previously recognized by the Group (customer contracts and the Inergy brand) and the revaluation of inventories. The impacts are therefore presented on a separate line of the income statement (see note on "*Amortization of intangible assets acquired in business combinations*").

2.1.2. Inergy's contributions

Inergy's contributed €454 million to Group revenue from 1 September to 31 December 2010. Had it been consolidated since 1 January 2010, its contribution would have been €1,220 million of a total €3,632 million from continuing operations.

Inergy's margins are in line with those presented for the Automotive segment in note 3 on segment information.

> 2.2. Other changes in scope of consolidation

- Post & Column

  On 8 April 2010, the Group acquired 100% of Post & Column for a total consideration of £3,558 thousand (€4,146 thousand). Goodwill was recognized provisionally in an amount of £2,912 thousand (€3,393 thousand). Post & Column manufactures and sells steel, glass fiber and composite (Jerol) signposts and lighting columns. It is part of the Group's Environment division. Its contribution to 2010 consolidated revenue was approximately €5,200 thousand.

- Plastic Omnium AS Turkey (BPO AS)

  Plastic Omnium AS Turkey (BPO AS) is 50%-owned by Plastic Omnium. It was proportionately consolidated in the 2009 financial statements and has been fully consolidated since 1 January 2010.

- Chongqing YanFeng Plastic Omnium Automotive Exteriors Faway Co Ltd and Guangzhou Zhongxin YanFeng Plastic Omnium Automotive Exterior Trim Co Ltd (GZZX).

These Chinese entities were created in 2010 to manufacture, sell and provide after-sales service for external spare parts used in the Automotive segment. The local partners are, respectively, Faway and Guangzhou Zhongxin. Both entities are 51%-owned by and therefore controlled and fully consolidated by Yanfeng PO Automotive Exterior Systems Co Ltd (YFPO), which itself is 49.95% proportionately consolidated by the Group.

- Plastic Omnium Componentes Exteriores SL – Redondela

  On 1 September 2010, Plastic Omnium Auto Exterior, an Automotive segment company, acquired a manufacturing facility in Redondela, Spain from German components manufacturer Peguform for a total consideration of €26,516 thousand. The plant, which is part of Plastic Omnium Componentes Exteriores SL, manufactures and supplies body components to PSA Peugeot Citroën's Vigo plant, one of the French carmaker's largest manufacturing facilities.

  Provisional goodwill on the acquisition amounted to €5,662 thousand.

- John Wilkinson

  In August 2010, UK-based Signature Ltd, an Environment division company that manufactures road sign systems, acquired the assets of John Wilkinson Ltd, a distributor of street lighting and traffic solutions, for a total consideration of £390 thousand (€454 thousand).

  Goodwill on the acquisition amounted to £210 thousand (€245 thousand).

> 2.3. Asset disposals and discontinued operations

At 31 December 2010, the assets of the following companies were classified as held for sale:

- Inergy Automotive Systems Canada Inc.'s Blenheim plant (Automotive division);
- Sulo Verwaltung und Technik GmbH's Elsfleth and Heideloh premises (Environment division).

The following assets were sold in 2010:

- Plastic Omnium Automotive Ltd's Telford plant and Inergy Automotive Systems SA's Nucourt plant (Automotive division);
- Signature Ltd's premises (Environment division).

At 31 December 2009, certain assets of the following companies in the Automotive division were classified as held for sale:

- Plastic Omnium Automotive Ltd. (Telford plant);
- Inergy Automotive Systems SA (Nucourt plant);
- Inergy Automotive Systems Canada Inc. (Blenheim plant).

3. Segment information

> 3.1. Information by reportable segment

The following tables present data for each segment, as well as an "Unallocated items" column that includes intersegment eliminations and amounts that are not allocated on a segment basis (for example, holding activities). The data in this column are presented in order to enable segment information to be reconciled with the Group's financial statements. Financial income and expense, tax expense and profits of associates are accounted for at Group level and are not allocated to the segments. Inter-segment transactions are carried out on an arm's length basis.

3.1.1. Consolidated income statement by reportable segment

	2010			
(in thousands of euros)	Automotive	Environment	Unallocated items*	Consolidated total
Sales to third parties	2,779,084	472,138	(1,626)	3,249,596
Sales between segments	(1,037)	(589)	1,626	-
Revenue	**2,778,047**	**471,549**	**-**	**3,249,596**
% of revenue	*85.5%*	*14.5%*		*100%*
Operating margin before amortization of intangible assets acquired	**201,417**	**25,797**		**227,214**
% of segment revenue	*7.2%*	*5.5%*		*7.0%*
Amortization of intangible assets acquired	(10 260)			(10 260)
Operating margin after amortization of intangible assets acquired	**191,157**	**25,797**		**216,954**
% of segment revenue	*6.9%*	*5.5%*		*6.7%*
Other operating income	**33,787**	**2,804**		**36,591**
Other operating expenses	**(23,638)**	**(18,449)**		**(42,087)**
% of segment revenue	*0.4%*	*-3.3%*		*-0.2%*
Finance costs, net				(23,157)
Other financial income and expense, net				(4,056)
Share of profit/(loss) of associates				(1,871)
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX				182,374
Income tax				(29,682)
Net profit from continuing operations				**152,692**
Net loss from discontinued operations				(2,024)
NET PROFIT				150,668

(in thousands of euros)	2009 Automotive	Environment	Unallocated items*	Consoli-dated total
Sales to third parties	2,014,174	445,995	(1,530)	2,458,639
Sales between segments	362	(1,892)	1,530	-
Revenue	**2,014,536**	**444,103**	**-**	**2,458,639**
% of revenue	*82.0%*	*18.0%*		*100%*
Operating margin before amortization of intangible assets acquired	**78,171**	**23,935**		**102,106**
% of segment revenue	*3.9%*	*5.4%*		*4.1%*
Amortization of intangible assets acquired				
Operating margin after amortization of intangible assets acquired	**78,171**	**23,935**		**102,106**
% of segment revenue	*3.9%*	*5.4%*		*4.1%*
Other operating income	**35,840**	**7,884**		**43,724**
Other operating expenses	**(65,880)**	**(11,255)**		**(77,135)**
% of segment revenue	*-1.5%*	*-0.8%*		*-1.4%*
Finance costs, net				(23,496)
Other financial income and expense, net				(761)
Share of profit/(loss) of associates				(993)
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX				42,646
Income tax				(8,212)
Net profit from continuing operations				**34,434**
Net loss from discontinued operations				(3,408)
NET PROFIT				31,025

**The "Unallocated items" column includes inter-segment eliminations as well as amounts that are not allocated on a segment basis (for example, holding activities) in order to enable segment information to be reconciled with the Group's financial statement.*

3.1.2. Consolidated balance sheet data by reportable segment

Net amounts (in thousands of euros)	31 December 2010			
	Automotive	Environment	Unallocated items	Consolidated total
Goodwill	182,732	176,857	2,960	362,549
Intangible assets	256,896	19,592	8,412	284,900
Property, plant and equipment	555,312	86,285	31,268	672,865
Investment property	–	–	18,355	18,355
Inventories	228,925	44,412	–	273,337
Trade receivables	288,372	84,065	19,343	391,780
Other receivables	110,198	14,290	15,486	139,974
Finance receivables* (C)	88,194	9,618	–	97,811
Current accounts and other financial assets (D)	52,891	26,337	(54,468)	24,761
Hedging instruments (E)	–	–	3,385	3,385
Net cash and cash equivalents** (A)	142,369	15,485	4,779	162,633
Total segment assets	**1,905,889**	**476,941**	**49,520**	**2,432,350**
Short-term borrowings (B)	250,147	18,627	557,646	826,420
Segment liabilities	**250,147**	**18,627**	**557,646**	**826,420**
NET SEGMENT DEBT = (B – A – C – D – E)	(33,307)	(32,812)	603,950	537,831

Net amounts (in thousands of euros)	31 December 2009			
	Automotive	Environment	Unallocated items	Consolidated total
Goodwill	113,498	173,473	2,960	289,931
Intangible assets	79,773	20,197	6,962	106,932
Property, plant and equipment	406,596	90,298	30,074	526,968
Investment property	–	–	17,502	17,502
Inventories	166,263	39,786	–	206,049
Trade receivables	176,915	84,848	270	262,032
Other receivables	95,162	14,363	9,781	119,306
Finance receivables* (C)	111,432	4,851	–	116,283
Current accounts and other financial assets (D)	(76,838)	2,246	92,867	18,274
Net cash and cash equivalents** (A)	75,067	11,181	14,761	101,010
Total segment assets	**1,147,868**	**441,242**	**175,178**	**1,764,288**
Short-term borrowings (B)	101,228	16,365	523,645	641,239
Segment liabilities	**101,228**	**16,365**	**523,645**	**641,239**
NET SEGMENT DEBT = (B – A – C – D)	(8,433)	(1,912)	416,017	405,672

**At 31 December 2010, finance receivables included €46,777 thousand classified in the balance sheet as other non-current financial assets and €51,034 thousand classified as current finance receivables. At 31 December 2009, finance receivables included €68,613 thousand classified in the balance sheet as other non-current financial assets and €47,670 thousand classified as current finance receivables. See also note 5.2.7. (a)*

***Net cash and cash equivalents as reported in the statement of cash flows. See also note 5.1.12.b.*

3.1.3. Other consolidated information by reportable segment

(in thousands of euros)	Automotive	Environment	Unallocated items	Consolidated total
31 December 2010				
Acquisitions of intangible assets	55,757	2,305	1,363	59,425
Capital expenditure	64,663	18,157	12,336	95,156
Depreciation and amortization expense	123,976	22,199	1,594	147,769
31 December 2009				
Acquisitions of intangible assets	30,751	3,203	508	34,463
Capital expenditure	50,667	15,298	2,500	68,465
Depreciation and amortization expense	150,689	22,860	1,338	174,887

> 3.2. Information by geographic region – Revenue

The following table shows revenue generated by the Group's subsidiaries in the relevant geographic regions.

(in thousands of euros)	2010	%	2009	%
France	680,782	20.9%	729,771	29.7%
North America	712,629	21.9%	420,250	17.1%
Europe excluding France	1,259,131	38.7%	971,252	39.5%
South America	143,982	4.4%	85,533	3.5%
Africa	31,764	1.0%	18,335	0.7%
Asia	421,308	13.0%	233,499	9.5%
TOTAL	3,249,596	100.0%	2,458,639	100.0%

> 3.3. Automotive segment revenue by automobile manufacturer

	2010			2009		
(in thousands of euros)	Amount	% of total revenue from manufacturers	% of total Automotive revenue	Amount	% of total revenue from manufacturers	% of total Automotive revenue
Automobile manufacturer						
PSA Peugeot Citroën	483,063	23.6%	17.4%	496,860	30.9%	24.7%
Renault/Nissan	368,622	18.0%	13.3%	347,625	21.6%	17.3%
General Motors	478,807	23.4%	17.2%	302,195	18.8%	15.0%
BMW	382,155	18.6%	13.8%	234,838	14.6%	11.7%
Volkswagen	337,839	16.5%	12.2%	226,732	14.1%	11.3%
Total main manufacturers	2,050,486	100.0%	73.8%	1,608,250	100%	79.8%
Other	727,561		26.2%	406,286		20.2%
TOTAL AUTOMOTIVE REVENUE	2,778,047		100.0%	2,014,536		100.0%

> 3.4. Non-current assets by geographic region

(in thousands of euros)	France	North America	Europe excluding France	South America Asia	Other*	Total
31 December 2010						
Goodwill	233,303	22,338	102,621	3,881	406	362,549
Intangible assets	155,916	36,980	70,434	20,988	582	284,900
Property, plant and equipment	179,522	99,845	239,095	148,154	6,249	672,865
of which capital expenditure for the year	*22,972*	*8,021*	*26,683*	*36,134*	*494*	*94,303*
Investment property	18,355					18,355
TOTAL NON-CURRENT ASSETS	587,097	159,163	412,150	173,024	7,237	1,338,669
31 December 2009						
Goodwill	152,450	26,774	97,823	10,259	2,625	289,931
Intangible assets	35,619	14,813	45,439	10,480	581	106,932
Property, plant and equipment	170,125	86,307	189,459	77,922	3,155	526,968
including capital expenditure for the year	*19,101*	*3,867*	*26,347*	*18,827*	*323*	*68,465*
Investment property	17,502					17,502
TOTAL NON-CURRENT ASSETS	375,696	127,894	332,721	98,661	6,361	941,333

"Other" includes the Group's two South African companies.

4. Notes to the income statement

> 4.1. Research and development costs

The following table analyzes the amount of research and development expenditure incurred in 2010 and 2009, as well as the percentage of revenue it represents.

(in thousands of euros)	2010	%	2009	%
Research and development costs	(143,742)	-4.4%	(109,567)	-4.5%
Of which capitalized research and development costs	78,875	2.4%	65,340	2.7%
Net research and development costs	(64,867)	-2.0%	(44,227)	-1.8%

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

(in thousands of euros)	2010	2009
Cost of sales includes:		
Raw materials (purchases and changes in inventory)	(1,941,187)	(1,387,634)
Direct production outsourcing	(34,157)	(27,444)
Utilities and fluids	(61,914)	(48,450)
Employee benefits expense	(354,866)	(297,164)
Other production costs	(239,850)	(215,396)
Depreciation	(110,658)	(147,080)
Provisions	(12,855)	(6,357)
TOTAL	(2,755,487)	(2,129,525)

(in thousands of euros)	2010	2009
Research and development costs include:		
Employee benefits expense	(79,014)	(68,874)
Amortization of capitalized development costs	(25,036)	(20,175)
Other	39,184	44,822
TOTAL	(64,867)	(44,227)
Selling costs include:		
Employee benefits expense	(35,514)	(34,266)
Depreciation and provisions	537	(2,132)
Other	(21,140)	(16,581)
TOTAL	(56,117)	(52,979)
Administrative costs include:		
Employee benefits expense	(87,742)	(78,515)
Other administrative expenses	(53,617)	(46,728)
Depreciation	(5,483)	(5,934)
Provisions	930	1,375
TOTAL	(145,911)	(129,802)

> 4.3. Employee benefits expense

(in thousands of euros)	2010	2009
Wages and salaries	(409,364)	(354,469)
Payroll taxes	(121,611)	(105,556)
Non-discretionary profit-sharing	(12,092)	(8,520)
Pension and other post-employment benefit costs	1,206	2,611
Share-based compensation	(2,502)	(2,128)
Other employee benefits expenses	(10,689)	(10,752)
Total employee benefits expense excluding temporary staff costs	**(555,052)**	**(478,814)**
Temporary staff costs	(50,985)	(25,490)
TOTAL EMPLOYEE BENEFITS EXPENSE INCLUDING TEMPORARY STAFF COSTS	(606,037)	(504,304)

> 4.4. Amortization of intangible assets acquired

This item corresponds to the amortization of intangible assets recognized as a result of the Inergy acquisition, including the effect of the consumption in 2010 of inventories revalued in the opening balance sheet.

(in thousands of euros)	2010
Brand	(117)
Customer contracts	(5,143)
Consumption of inventories revalued in the opening balance sheet	(5,000)
TOTAL AMORTIZATION OF INTANGIBLE ASSETS ACQUIRED	(10,260)

> 4.5. Other operating income and expenses

(in thousands of euros)	2010	2009
Gains/losses on disposals of non-current assets	369	(17,376)
Employee downsizing plans	(4,080)	(13,990)
Impairment of non-current assets	(6,372)	(4,001)
Litigation*	(9,863)	(258)
Foreign exchange gains and losses on operating activities	591	1,166
Impact of acquisitions		
• Revaluation of the 50% interest in Inergy Automotive Systems (see note 2.1)	18,785	–
• Related fees and expenses	(2,431)	–
Other	(2,495)	1,048
TOTAL	(5,496)	(33,411)
• *of which total income*	*36,591*	*43,724*
• *of which total charges*	*(42,087)*	*(77,135)*

* *Including a net expense of €8.3 million following the adverse outcome of the Signature SA and Sodilor competition proceedings (see note 6.7).*

> 4.6. Financial income and expenses

(in thousands of euros)	2010	2009
Finance costs	(14,023)	(18,193)
Interest cost - pension obligations	(3,430)	(2,685)
Financing fees and commissions	(5,704)	(3,417)
Finance costs – net	**(23,157)**	**(24,295)**
Exchange gains or losses on financing activities	(434)	214
Losses on financial instruments	(3,622)	(1,774)
Other	–	799
Other financial expenses	**(4,056)**	**(761)**
TOTAL	(27,213)	(25,056)

> 4.7. Income tax

4.7.1. Income tax recorded in the income statement

Income tax expense breaks down as follows:

(in thousands of euros)	2010	2009
Current taxes	**(27,950)**	**(11,063)**
Current income tax (expense)/benefit	(26,371)	(9,621)
Tax (expense)/benefit on exceptional items	(1,579)	(1,442)
Deferred taxes	**(1,732)**	**2,851**
Deferred tax (expense)/benefits on temporary differences arising or reversing during the period	(2,133)	2,675
Effect of change in tax rates or the introduction of new taxes	401	176
INCOME TAX (EXPENSE)/BENEFIT RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT	(29,682)	(8,212)

4.7.2. Tax proof

(in thousands of euros)	2010	2009
Consolidated profit before tax	182,374	42,646
Theoretical tax at French standard tax rate	(60,785)	(14,214)
Impact of differences in foreign tax rates	8,508	3,663
Effect on opening deferred taxes of changes in tax rates	(401)	(176)
Recognition and utilization of previously unrecognized tax loss carryforwards	37,446	8,941
Unrecognized tax loss carryforwards and other tax assets	(9,368)	(5,925)
Tax credits and other tax savings	6,866	3,282
Non-deductible expenses and non-taxable income	(13,262)	(4,166)
Other	1,314	382
Tax at the effective tax rate	**(29,682)**	**(8,212)**
Effective tax rate	*16.3%*	*19.3%*

At 31 December 2010, the actual tax expense was €29.7 million compared with a theoretical tax expense of €60.8 million at the French standard rate. The difference is mainly due to the recognition and/or reversal of temporary differences and the recognition and/or utilization of previously unrecognized tax loss carryforwards (€28.1 million) as well as the impact of lower rates in some countries (€8.5 million). Non-deductible expenses amounted to €13.3 million, mainly comprising a non-deductible provision for late penalties and the taxable portion of the dividends paid in 2010.

Reform of French business tax applicable as of 1 January 2010

The Group has elected to recognize the new business tax assessed on added value (CVAE) as an operating expense, as the basis of assessment mainly comprises payroll expenses and depreciation and impairment of plant and equipment used in operations or industrial projects.

> 4.8. Basic earnings per share

Earnings per share attributable to owners of the parent	2010	2009
Basic earnings per share (in €)	8.68	1.74
Diluted earnings per share (in €)	8.38	1.74
Earnings per share from continuing operations, attributable to owners of the parent		
Basic earnings per share from continuing operations (in €)	8.80	1.96
Diluted earnings per share from continuing operations (in €)	8.49	1.96
Weighted average number of ordinary shares	**17,644,599**	**17,644,599**
• Treasury stock	(1,576,068)	(1,644,960)
Weighted average number of ordinary shares used to calculate basic earnings per share	**16,068,531**	**15,999,639**
• Impact of dilutive instruments (stock options)	579,285	–
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARE	16,647,816	15,999,639

5. Notes to the balance sheet

> 5.1. Assets

5.1.1. Goodwill

(in thousands of euros)	Gross value	Impairment	Carrying amount
At 1 January 2009	**291,238**	**0**	**291,238**
Winding-up and divestment of companies	(318)		(318)
Translation adjustment and other movements	(989)		(989)
At 31 December 2009	**289,931**	**0**	**289,931**
Redondela acquisition	5 660		5,660
Post & Column acquisition	3,393		3,393
John Wilkinson acquisition	244		244
Acquisition of a controlling interest in Inergy*	62,635		62,635
Translation adjustment and other movements	686		686
AT 31 DECEMBER 2010	362,549	0	362,549

** The acquisition of a controlling interest in Inergy gave rise to the derecognition of the €90 million of goodwill relating to the 50% interest previously held by the Group and the recognition of €151.9 million in new goodwill (see note 2.1.1).*

The provisional goodwill on Inergy and Redondela was allocated to the Automotive segment and the provisional goodwill on Post & Column and John Wilkinson to the Signature segment.

Goodwill breaks down as follows by reportable segment:

(in thousands of euros)	Gross value	Impairment	Carrying amount
Automotive	113,498	0	113,498
Environment	173,473	0	173,473
Unallocated*	2,960	0	2,960
At 31 December 2009	**289,931**	**0**	**289,931**
Automotive	182,732	0	182,732
Environment	176,857	0	176,857
Unallocated*	2,960	0	2,960
AT 31 DECEMBER 2010	362,549	0	362,549

** "Unallocated" comprises goodwill on the Group's holding companies.*

5.1.2. Intangible assets

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Cus-tomer contracts	Other	Total
Carrying amount at 1 January 2010	**289,931**	**22,418**	**11,530**	**68,901**	**0**	**4,083**	**396,863**
Acquisitions	–	899	2,619	54,748	–	1,159	59,425
Disposals – net	–	(63)	10	(4,372)	–	(32)	(4,457)
Companies consolidated for the first time	9,297	(3)	–	1,466	–		10,760
Changes in scope of consolidation	62,635	7,233	2,901	46,155	108,000	137	227,061
Reclassifications	–	85	1,127	(618)	–	(199)	395
Impairment	–	(125)	–	(34)	–		(159)
Amortization for the period	–	(1,513)	(5,957)	(32,330)	(5,143)	(386)	(45,329)
Translation adjustment	686	130	111	1,757	–	206	2,890
CARRYING AMOUNT AT 31 DECEMBER 2010	362,549	29,061	12,341	135,673	102,857	4,968	647,449

Movements in the period mainly comprise the recognition of customer contracts and the Inergy brand (€115 million) following the acquisition of a controlling interest in Inergy.

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Customer contracts	Other	Total
Carrying amount at 1 January 2009	**291,238**	**22,938**	**13,597**	**128,898**	**0**	**1,997**	**458,668**
Acquisitions		2,077	2,141	29,369		876	34,463
Disposals – net		(1,199)	(2,682)	(11,972)			(15,853)
Companies consolidated for the first time				421			421
Companies removed from the scope of consolidation	(318)		(158)				(476)
Reclassifications		(38)	1,750	(18,070)		1,734	(14,624)
Impairment			2,711				2,711
Amortization for the period		(1,315)	(5,895)	(59,995)		(397)	(67,603)
Translation adjustment	(989)	(45)	67	251		(128)	(845)
CARRYING AMOUNT AT 31 DECEMBER 2009	289,931	22,418	11,530	68,901	0	4,083	396,863

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Customer contracts	Other	Total
Analysis of carrying amount at 1 January 2010							
Cost	289,931	30,807	62,358	225,009	–	8,970	617,075
Accumulated amortization	–	(8,389)	(50,828)	(156,108)	–	(4,887)	(220,212)
Accumulated impairment	–	–	–	–	–	–	–
Carrying amount at 1 January 2010	**289,931**	**22,418**	**11,530**	**68,901**	**0**	**4,083**	**396,863**
Analysis of carrying amount at 31 December 2010							
Cost	362,549	41,181	75,051	282,610	108,000	10,727	880,118
Accumulated amortization	–	(11,995)	(62,711)	(146,903)	(5,143)	(5,758)	(232,510)
Accumulated impairment	–	(125)	–	(34)	–	–	(159)
CARRYING AMOUNT AT 31 DECEMBER 2010	362,549	29,061	12,340	135,673	102,857	4,969	647,449

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Customer contracts	Other	Total
Analysis of carrying amount at 1 January 2009							
Cost	291,238	30,340	63,917	291,488	–	1,533	678,516
Accumulated amortization	–	(7,402)	(47,616)	(162,590)	–	465	(217,143)
Accumulated impairment	–	–	(2,706)	–	–	–	(2,706)
Carrying amount at 1 January 2009	**291,238**	**22,938**	**13,595**	**128,898**	**0**	**1,999**	**458,668**
Analysis of carrying amount at 31 December 2009							
Cost	289,931	30,807	62,358	225,009	–	8,970	617,075
Accumulated amortization	–	(8,389)	(50,828)	(156,108)	–	(4,887)	(220,212)
Accumulated impairment	–	–	–	–	–	–	–
CARRYING AMOUNT AT 31 DECEMBER 2009	289,931	22,418	11,530	68,901	0	4,083	396,863

5.1.3. Property, plant and equipment excluding investment property

(in thousands of euros)	Land at cost	Land revalued periodi-cally	Buildings at cost	Buildings revalued periodi-cally	Technical equipment and tooling	Assets under construc-tion	Other	Total
Carrying amount at 1 January 2010	**45,140**	**–**	**169,685**	**–**	**214,573**	**16,574**	**80,998**	**526,968**
Increases*	167	–	9,936	–	28,364	27,634	28,202	94,303
Disposals	(8)	–	(233)	–	(4,271)	–	(4,068)	(8,580)
Companies consolidated for the first time	9,033	–	54,171	–	51,275	7,986	24,696	147,161
Reclassifications	22	–	3,340	–	3,913	(9,511)	1,659	(577)
Impairment	–	–	–	–	(1,044)	–	(220)	(1,264)
Depreciation for the period	(568)	–	(13,440)	–	(58,799)	–	(29,624)	(102,431)
Translation adjustment	1,173	–	4,791	–	7,691	1,029	2,599	17,284
CARRYING AMOUNT AT 31 DECEMBER 2010	54,960	–	228,250	–	241,700	43,713	104,241	672,865

** At 31 December 2010, the €114,281 thousand increase in property, plant and equipment appearing in the statement of cash flows corresponds to acquisitions of property, plant and equipment other than investment property (€113,428 thousand) and acquisitions of investment property (€853 thousand).*

(in thousands of euros)	Land at cost	Land revalued periodi-cally	Buildings at cost	Buildings revalued periodically	Technical equipment and tooling	Assets under construction	Other	Total
Carrying amount at 1 January 2009	**46,536**	**229**	**180,270**	**–**	**239,370**	**39,860**	**66,537**	**572,802**
Increases	410	–	5,035	–	18,481	15,181	29,358	68,465
Disposals	(819)	–	(9,936)	–	(7,872)	–	(5,206)	(23,832)
Companies consolidated for the first time	–	–	–	–	273	–	46	319
Companies removed from the scope of consolidation	–	–	(55)	–	(694)	116	(27)	(659)
Reclassifications	(1,348)	(229)	7,204	–	18,233	(39,321)	30,565	15,104
Impairment	–	–	(1,156)	–	1,203	–	87	134
Depreciation for the period	(227)	–	(11,706)	–	(53,970)	–	(41,064)	(106,966)
Translation adjustment	588	–	28	–	(452)	738	700	1,601
CARRYING AMOUNT AT 31 DECEMBER 2009	45,140	–	169,685	–	214,573	16,574	80,998	526,968

(in thousands of euros)	Land at cost	Land revalued periodi-cally	Buildings at cost	Buildings revalued periodi-cally	Technical equipment and tooling	Assets under construction	Other	Total
Analysis of carrying amount at 1 January 2010								
Gross value	48,127	–	279,667	–	794,020	16,574	294,736	1,433,124
Accumulated deprecia-tion and impairment	(2,987)	–	(109,982)	–	(579,447)	–	(213,738)	(906,154)
Carrying amount at 1 January 2010	**45,140**	**–**	**169,685**	**–**	**214,573**	**16,574**	**80,998**	**526,968**
Analysis of carrying amount at 31 December 2010								
Gross value	58,581	–	378,125	–	971,328	43,713	413,507	1,865,255
Accumulated deprecia-tion and impairment	(3,621)	–	(149,875)	–	(729,628)	–	(309,266)	(1,192,390)
CARRYING AMOUNT AT 31 DECEMBER 2010	**54,960**	**–**	**228,250**	**–**	**241,700**	**43,713**	**104,241**	**672,865**

(in thousands of euros)	Land at cost	Land revalued periodi-cally	Buildings at cost	Buildings revalued periodi-cally	Technical equipment and tooling	Assets under construction	Other	Total
Analysis of carrying amount at 1 January 2009								
Gross value	49,652	–	292,745	–	855,229	39,939	208,976	1,446,541
Accumulated deprecia-tion and impairment	(2,887)	–	(112,475)	–	(615,859)	(79)	(142,439)	(873,739)
Carrying amount at 1 January 2009	**46,536**	**–**	**180,270**	**–**	**239,370**	**39,860**	**66,537**	**572,802**
Analysis of carrying amount at 31 December 2009								
Gross value	48,127	–	279,667	–	794,020	16,574	294,736	1,433,124
Accumulated deprecia-tion and impairment	(2,987)	–	(109,982)	–	(579,447)	–	(213,738)	(906,154)
CARRYING AMOUNT AT 31 DECEMBER 2009	**45,140**	**–**	**169,685**	**–**	**214,573**	**16,574**	**80,998**	**526,968**

Equipment leased under operating leases where the group is lessor

(in thousands of euros)	31 December 2010	31 December 2009
Gross value	68,719	73,435
Accumulated depreciation	(45,283)	(48,448)
Including depreciation for the period	*(6,719)*	*(7,944)*
CARRYING AMOUNT	23,436	24,987

The above figures correspond to waste containers leased to customers by the Urban Systems division under contracts that do not qualify as finance leases.

(in thousands of euros)	31 December 2010	31 December 2009
Minimum lease payments under non-cancelable operating leases and/or lease-maintenance contracts		
Due within one year	112,071	56,062
Due in one to five years	160,507	128,740
Due beyond five years	67,234	62,373
TOTAL	339,812	247,175

Property, plant and equipment under finance leases where the Group is lessee

These assets, which are included in the tables above on property, plant & equipment, correspond to plants, research and development centers, production equipment and containers acquired for leasing to customers.

Change in carrying amounts:

(in thousands of euros)	Land and buildings	Technical equipment and tooling	Total at 31 December 2010
Cost	40,270	22,700	62,970
Accumulated depreciation	(19,943)	(9,448)	(29,391)
CARRYING AMOUNT	20,327	13,252	33,579

(in thousands of euros)	Land and buildings	Technical equipment and tooling	Total at 31 December 2009
Cost	37,559	29,492	67,051
Accumulated depreciation	(17,037)	(13,976)	(31,013)
CARRYING AMOUNT	20,522	15,516	36,038

Change in lease payments and present values:

(in thousands of euros)	Minimum lease payments at 31 December 2010	Present value at 31 December 2010
Due within one year	6,948	6,029
Due in one to five years	23,508	21,157
Due beyond five years	1,505	1,349
TOTAL	31,961	28,535

(in thousands of euros)	Minimum lease payments at 31 December 2009	Present value at 31 December 2009
Due within one year	6,490	5,103
Due in one to five years	22,182	19,175
Due beyond five years	2,883	2,923
TOTAL	31,555	27,201

5.1.4. Investment property

Based on the latest valuation carried out by an independent valuer in December 2010, the fair value of investment property amounted to €17 million, unchanged from 2009.

In July 2010, the Group purchased land in Lyon for the sum of €853 thousand.

(in thousands of euros)	Total	Land	Building
Fair value at 31 December 2009	17,502	5,669	11,833
Acquisition	853	853	–
Fair value adjustment based on independent valuations	–	–	–
FAIR VALUE AT 31 DECEMBER 2010	18,355	6,522	11,833

(in thousands of euros)	Total	Land	Building
Fair value at 31 December 2008	17,273	5,440	11,833
Reclassification of land	–	–	–
Reclassification as investment property*	229	229	–
Fair value adjustment based on independent valuations	–	–	–
FAIR VALUE AT 31 DECEMBER 2009	17,502	5,669	11,833

** Valuation of the land adjacent to the car park outside the building, which was not previously classified as investment property.*

If the land and building recognized at fair value had been measured using the cost model, their carrying amount would have been €7,267 thousand versus €7,373 thousand at 31 December 2009.

At 31 December 2010, the revaluation reserve amounted to €10,023 thousand, unchanged from 31 December 2009.

As the investment property was not let during 2010, it did not generate any rental income.

(in thousands of euros)	2010	2009
Rental income from investment property	–	–
Property operating expenses	(550)	(743)

5.1.5. Investments in associates

At 31 December 2010, investments in associates were comprised of Plastic Omnium's interest in Euromark (65%-held by Eurovia), corresponding to the Signature Horizontal division, and a 24.48% interest in Chinese company Chengdu Faway Yanfeng PO. The Signature Horizontal division is a sub-group headed by Euromark Holding.

The tables below provide summary balance sheet and income statement data for all of the associates on the same basis as if they were fully consolidated companies.

(in thousands of euros)	31 December 2010	31 December 2009
Non-current assets	42,418	33,682
Current assets	69,795	70,918
TOTAL ASSETS	112,213	104,600
Equity - Eurovia's interest in Signature Horizontal	(4,812)	(3,261)
Equity - Faway's interest in Chengdu	11,106	–
Equity attributable to Plastic Omnium	14,224	12,273
Non-current liabilities	9,061	10,877
Current liabilities	82,634	84,711
TOTAL EQUITY AND LIABILITIES	112,213	104,600
Revenue	128,306	129,813
Net profit - Eurovia's interest in Signature Horizontal	(1,785)	(6,319)
Net profit - Faway's interest in Chengdu	(696)	–
Net profit attributable to Plastic Omnium	(1,871)	(993)

5.1.6. Available-for-sale financial assets

At 31 December 2010 and 2009, this item consisted of shares in non-material shell or dormant companies and investments in the "FMEA 2" support fund for the automotive components industry.

5.1.7. Other non-current financial assets

(in thousands of euros)	31 December 2010	31 December 2009
Loans	26	437
Deposits and bonds	13,753	5,227
Other receivables (see note 6.4.1)	6,035	8,986
Finance receivables related to Environment finance leases (see note 6.4.1)	8,367	2,788
Finance receivables related to Automotive contracts (see note 6.4.1)	38,410	65,825
TOTAL	66,591	83,264

Deposits and bonds primarily relate to guarantee deposits on leased offices.

Finance receivables mainly comprise 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.

5.1.8. Inventories

(in thousands of euros)	31 December 2010	31 December 2009
Raw materials and supplies	75,314	56,028
Molds, tooling and engineering	118,255	95,011
Other work in progress	15,083	9,388
Merchandise		
Cost	*5,552*	*5,579*
Net realizable value	4,768	4,591
Finished products		
Cost	*62,620*	*43,256*
Net realizable value	59,917	41,030
TOTAL INVENTORIES AT THE LOWER OF COST AND NET REALIZABLE VALUE	273,337	206,049

5.1.9. Finance receivables – current portion

(in thousands of euros)	31 December 2010	31 December 2009
Finance receivables related to Environment finance leases	1,250	2,063
Finance receivables related to Automotive contracts	49,784	45,607
Other short-term financial receivables	4,098	3,624
Current accounts	*1,113*	*1,452*
Other	*2,985*	*2,172*
TOTAL	55,132	51,294

5.1.10. Trade and other receivables

a. Sales of receivables

Plastic Omnium and some of its French and Spanish subsidiaries renewed their non-recourse receivables sales programs for two years on 11 May 2010. These programs transfer substantially all the risks and rewards of ownership to the buyer and the sold receivables are therefore derecognized.

In 2010, Plastic Omnium and some of its German, Slovakian and UK automotive subsidiaries set up similar five-year programs with a French bank.

At 31 December 2010, derecognized sold receivables totaled €190 million compared with €130 million at 31 December 2009.

b. Trade receivables - cost, impairment and carrying amounts

(in thousands of euros)	31 December 2010			31 December 2009		
	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Trade receivables	396,000	(4,220)	391,780	269,992	(7,960)	262,032
TRADE RECEIVABLES	396,000	(4,220)	391,780	269,992	(7,960)	262,032

The Group had not identified any material unprovisioned customer risk at 31 December 2010.

c. Other receivables

(in thousands of euros)	31 December 2010	31 December 2009
Sundry receivables	86,198	68,545
Prepayments to suppliers of tooling and prepaid development costs	26,933	29,477
Prepaid and recoverable taxes	20,506	20,693
Prepayments to suppliers of non-current assets	6,337	593
OTHER RECEIVABLES	139,974	119,306

The balance of other receivables at 31 December 2010 includes €10.4 million related to the seller's liability warranty given by Burelle SA on the sale of Signature in 2007, under which a claim was lodged as a result of the competition proceedings involving Signature SA and Sodilor (see note 6.7).

d. Trade and other receivables by currency

Foreign currency, in thousands		Receivables at 31 December 2010			Receivables at 31 December 2009		
		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	294,967	294,967	55%	238,170	238,170	62%
USD	US dollar	110,362	82,594	16%	64,109	44,502	12%
GBP	Pound sterling	6,089	7,074	1%	13,181	14,842	4%
CHF	Swiss franc	12,875	10,297	2%	8,681	5,851	2%
CNY	Chinese yuan	536,300	60,791	12%	384,169	39,061	10%
Other	Other currencies		76,031	14%		38,912	10%
TOTAL			531,754	100%		381,338	100%
Of which:	*Trade receivables*		*391,780*	*74%*		*262,032*	*69%*
	Other receivables		*139,974*	*26%*		*119,306*	*31%*

More than half of all trade receivables are in euros and no sensitivity tests to currency fluctuations are therefore carried out.

5.1.11. Deferred taxes

As explained in Note 1.29 above, deferred tax assets corresponding to tax loss carryforwards, deductible temporary differences and tax credits are measured based on the probability sufficient taxable earnings being generated to permit their utilization. Given the current economic environment, new estimates were made at the year-end based on a prudent assessment of probable future earnings in the short to medium term.

Deferred taxes relate to the following items:

(in thousands of euros)	31 December 2010	31 December 2009
Property, plant and equipment	(23,301)	(23,621)
Post-employment benefit obligations	20,864	8,733
Provisions	17,600	6,684
Financial instruments	598	1,474
Tax loss carryforwards and tax credits	80,606	110,880
Other	(14,729)	18,874
Impairment of deferred tax assets	(64,418)	(71,526)
TOTAL	17,220	51,498
Of which:		
Deferred tax assets	*70,682*	*75,732*
Deferred tax liabilities	*53,462*	*24,234*

Net deferred taxes fell by €34.3 million during the year due to the utilization of tax loss carryforwards and the recognition of deferred tax liabilities related to the allocation of the Inergy acquisition consideration (€32 million).

Unrecognized tax assets amounted to €41,069 thousand at 31 December 2010 compared with €59,791 thousand at 31 December 2009, and break down as follows:

(in thousands of euros)	31 December 2010	31 December 2009
Evergreen tax loss carryforwards	30,788	38,885
Tax loss carryforwards available for more than 5 years	6,433	16,899
Tax loss carryforwards available for up to 5 years	633	1,214
Tax loss carryforwards available for up to 4 years	1,985	1,275
Tax loss carryforwards available for up to 3 years	1,230	447
Tax loss carryforwards available for less than 3 years	–	1,071
TOTAL	41,069	59,791

The change during the year mainly corresponds to the utilization of tax loss carryforwards in the United States, France and Spain following the excellent results reported by these operations for the year.

5.1.12. Cash and cash equivalents

a. Cash and cash equivalents – gross

(in thousands of euros)	31 December 2010	31 December 2009
Cash at bank and in hand	167,527	111,117
Short-term deposits	25,778	23,870
TOTAL (IN BALANCE SHEET)	193,305	134,987

Cash and cash equivalents break down as follows:

(in thousands of euros)	31 December 2010	31 December 2009
Cash and cash equivalents of joint ventures	39,195	72,432
Cash and cash equivalents of the Group's captive reinsurance company	17,389	16,136
Cash and cash equivalents in regions with exchange controls on remittances and transfers	10,620	6,360
Immediately available cash and cash equivalents	126,101	40,059
TOTAL	193,305	134,987

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

b. Net cash and cash equivalents at end of year

(in thousands of euros)	2010	2009
Cash and cash equivalents	193,305	134,987
Short term bank loans and overdrafts (–)	(30,672)	(33,977)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR AS RECORDED IN THE STATEMENT OF CASH FLOWS (A)	162,633	101,010

5.1.13. Notes to the statement of cash flows - acquisitions of non-current financial assets

Acquisitions of financial assets, in an amount of €301,162 thousand in 2010, mainly comprised the 50% interest in Inergy acquired from Solvay (see note 2.1), as well as Post & Column, Redondela and Wilkinson (see note 2.2).

> 5.2. Equity and liabilities

5.2.1. Share capital

(in euros)	2010	2009
Share capital at 1 January	8,822,300	9,073,397
Shares issued during the year	–	–
Capital reduction during the year	–	(251,097)
Share capital at 31 December (ordinary shares with a par value of €0.50)	**8,822,300**	**8,822,300**
Treasury stock	739,793	822,480
TOTAL NET OF TREASURY STOCK	8,082,507	7,999,820

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

At 31 December 2010, Plastic Omnium held 1,479,585 shares in treasury, representing 8.39% of the share capital, compared with 1,644,960 shares representing 9.32% of the share capital at 31 December 2009.

5.2.2. Dividends voted and paid by Compagnie Plastic Omnium

(in thousands of euros)	2010	2009
Dividends on ordinary shares	12,351	6,351
Dividends on treasury stock (unpaid)	(1,095)	(423)
NET DIVIDENDS VOTED BY SHAREHOLDERS AND PAID DURING THE YEAR	11,256	5,929
Dividend per share (in €)	**0.70**	**0.35**

The Group plans to pay a dividend €1.40 per share for 2010 corresponding to a total payout of €24,702 thousand based on the 17,644,599 shares outstanding at 31 December 2010 (€0.70 per share in 2009 making a total payout of €12,351 thousand for the 17,644,599 shares outstanding at 31 December 2009).

5.2.3. Share-based compensation

Outstanding stock options

Grant date	Type of option	Grantees	Vesting conditions	Maximum number of options available under the plan
14 May 2003	Existing shares	15	Employment contract in force on the option exercise date, except in the case of transfer by the employer, early retirement or retirement	360,000
11 March 2005	Existing shares	54		237,000
25 April 2006	Existing shares	11		267,000
24 July 2007	Existing shares	65		330,000
22 July 2008	Existing shares	39		350,000
1 April 2010	Existing shares	124		375,000

Outstanding options at 31 December and compensation cost recognized during the period

Compensation cost has been recognized for options granted after 7 November 2002 in accordance with IFRS. The vesting period is four years for each plan.

Outstanding options	Options outstanding at 1 January 2010	Increases	Decreases			Options outstanding at 31 December 2010	
		Options granted during the period	Options forfeited during the period	Options that expired during the period	Options exercised during the period	Total	Of which, options exercisable as of 31 Dec. 2010
14 May 2003 plan							
Number of options granted	46,500	12,000*			(58,500)	–	
Share price at the grant date (€)	12.48					–	
Option exercise price (€)	13.53					–	
Life	7 years					–	
Unrecognized cost at period-end (€)	–					–	
Cost recognized during the period (€)	–					–	
Remaining life	–					–	
11 March 2005 plan							
Number of options granted	211,400		(5,000)		(107,014)	99,386	
Share price at the grant date (€)	21.15					21.15	
Option exercise price (€)	21.15					21.15	
Life	7 years					7 years	
Unrecognized cost at period-end (€)	–					–	
Cost recognized during the period (€)	–					–	
Remaining life	2 years					1 year	
25 April 2006 plan							
Number of options granted	247,000					247,000	
Share price at the grant date (€)	35.25					35.25	
Option exercise price (€)	34.9					34.9	
Life	7 years					7 years	
Unrecognized cost at period-end (€)	202,974					–	
Cost recognized during the period (€)	202,974						

** 12,000 shares classified as "Allocated to future plans" were reclassified to the 2003 plan.*

Outstanding options	Options outstanding at 1 January 2010	Increases	Decreases			Options outstanding at 31 December 2010	
		Options granted during the period	Options forfeited during the period	Options that expired during the period	Options exercised during the period	Total	Of which, options exercisable as of 31 Dec. 2010
Remaining life	3 years					2 years	
24 July 2007 plan							
Number of options granted	304,000		(4,000)		(2,000)	298,000	None
Share price at the grant date (€)	39.29					39.29	
Option exercise price (€)	39.38					39.38	
Life	7 years					7 years	
Unrecognized cost at period-end (€)	1,681,658					641,487	
Cost recognized during the period (€)	1,040,171						
Remaining life	4 years					3 years	
22 July 2008 plan							
Number of options granted	342,000				(1,200)	340,800	None
Share price at the grant date (€)	17.93					17.93	
Option exercise price (€)	26.51					26.51	
Life	7 years					7 years	
Unrecognized cost at period-end (€)	957,857					588,282	
Cost recognized during the period (€)	369,575						
Remaining life	5 years					4 years	
1 April 2010 plan							
Number of options granted		375,000	(3,500)			371,500	None
Share price at the grant date (€)		28.80				28.80	
Option exercise price (€)		25.60				25.60	
Life		7 years				7 years	
Unrecognized cost at period-end (€)		4,720,933				3,831,716	
Cost recognized during the period (€)		889,217					
Remaining life		7 years				6.5 years	

At 31 December 2010, 89,455 shares were held to cover these plans but had not yet been allocated.

5.2.4. Government grants

(in thousands of euros)	31 December 2010	31 December 2009
Grants based on profit	–	–
Grants based on assets	11,658	10,847
Total government grants recognized under non-current liabilities	**11,658**	**10,847**
Short-term government grants	277	275
Total government grants recognized under current liabilities	**277**	**275**
TOTAL	11,935	11,122

Long-term government grants are recognized under non-current liabilities in the consolidated balance sheet and short-term government grants are included in current liabilities.

5.2.5. Provisions

(in thousands of euros)	31 December 2009	Charges	Utilizations	Releases of surplus provisions	Reclassifications	Actuarial gains and losses	Changes in scope of consolidation	Translation adjustment	31 December 2010
Customer warranties	5,265	11,882	(3,098)	(807)	3,103		1,559	138	18,043
Reorganization plans	23,160	845	(17,235)	(2,753)			247	91	4,355
Tax risks	467	2,355	(62)	(2)			1,025	92	3,875
Contract risks	4,782	383	(1,500)	(102)			1,217		4,780
Extension to container fleet	389		(389)						0
Claims and litigation*	1,529	19,648	(485)	(84)	3,994		85	147	24,834
Other	13,220	12,336	(1,734)	(3,040)	(3,182)		1,170	180	18,950
Provisions for liabilities and charges	**48,812**	**47,449**	**(24,503)**	**(6,788)**	**3,915**		**5,303**	**648**	**74,836**
Provisions for pensions and other post-employment benefits	33,121	5,380	(3,156)			(1,455)	11,941	1,242	47,074
TOTAL	81,933	52,829	(27,659)	(6,788)	3,915	(1,455)	17,244	1,890	121,911

** Including €18.7 million at 31 December 2010 for the competition proceedings (see note 6.7). Taking into account the claim under the seller's liability warranty given by Burelle SA, the net impact on profit is €8.3 million.*

5.2.6. Provisions for pensions and other post-employment benefits

The main changes in assumptions in 2010 were:

- A decrease in the discount rate used for length-of-service awards, jubilees and other post-employment benefit plans.
- An increase in the retirement age for some employees following the French pension reform.
- Change in the French metals engineering industry scale affecting Inopart, Inoplast and M.C.R. in France.

The French pension reform in late 2010 did not have a material impact on the length-of-service award obligation. It was recognized in actuarial gains and losses in the same way as the impact of the "Fillon reform" in 2003.

a. Actuarial assumptions

The main actuarial assumptions used to measure post-employment benefits and other long-term benefits are as follows:

- Age at start of career:
  - 24 for managers, 20 for other employees (unchanged from 2009).
- Retirement age of employees of Group companies in France:
  - When full benefit rights have been acquired, for all employees following the 2010 pension reform. The minimum retirement age will gradually increase from 60 to 62 years and the full-pension age regardless of contribution period from 65 to 67.
- Retirement age of employees of Group companies in the United States: 62 in 2010 (unchanged from 2009).
- Discount rate:
  The discount rates used are determined by reference to market yields on high quality corporate bonds with terms consistent with the term of the benefit obligations concerned. The reference rates used at 31 December 2010 were as follows (unchanged from end-2009):
  - 4.6% for length-of-service awards payable to employees of Group companies in France (5.25% in 2009).
  - 3.5% for jubilees payable to employees of Group companies in France (4.75% in 2009).
  - 5.5% for post-employment benefit plans in the United States (6% in 2009).
- Annual inflation rate:
  - 2% in France (unchanged from 2009).
- Future salary increases:
  - 2% to 5% (unchanged from 2009) in France (average rates depending on age and whether the employer is a manager or not); 3% (unchanged from 2009) for supplementary pension plans. ,
  - 4.5% in the United States (unchanged from 2009).
- Estimated long-term yield on plan assets:
  - 4.5% in France (unchanged from 2009).
  - 8% in the United States (unchanged from 2009).

These rates are based on long-term market forecasts and take account of the asset allocation of each plan.

For other foreign subsidiaries, rate differentials are determined based on local conditions.

- Growth in healthcare costs in the United States:
  - 9% in 2010 (unchanged from 2009), decreasing by 0.5% a year to 5% in 2019.
- Payroll tax rate: between 34% and 46% in France (between 36% and 46% in 2009).

b. Changes in defined benefit obligations and costs

The amounts reported in the balance sheet for defined benefit plans are as follows:

(in thousands of euros)	Post-employment benefit plans			Other long-term benefit plans			Total		
	2010	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY	51,857	45,282	44,646	6,424	6,244	6,437	58,281	51,526	51,083
Service cost	5,545	2,264	3,658	668	227	(187)	6,213	2,491	3,471
Interest cost	3,269	2,447	1,714	161	246	263	3,430	2,693	1,977
Curtailments, settlements and other	(377)	(500)	(2,327)	(85)		(47)	(462)	(500)	(2,374)
Actuarial gains and losses	770	80	(2,021)	9	(11)	92	779	69	(1,929)
Of which experience adjustments	*1,773*	*(2,525)*	*(100)*	*–*	*(7)*	*(555)*	*1,773*	*(2,532)*	*(655)*
Benefits paid from plan assets	372	(131)	(675)				372	(131)	(675)
Benefits paid by the company	(2,151)	(513)	(1,103)	(454)	(277)	(335)	(2,605)	(790)	(1,438)
Changes in scope of consolidation	16,688	(105)	(3)	852	–	–	17,540	(105)	(3)
Internal transfer	–	3,213		–	–	–	–	3,213	
Translation adjustment	5,390	(180)	1,393	44	(5)	21	5,434	(185)	1,414
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER	81,363	51,857	45,282	7,619	6,424	6,244	88,982	58,281	51,526
Change in projected benefit obligation	29,506	6,575	636	1,195	180	(193)	30,701	6,755	443
FAIR VALUE OF PLAN ASSETS AT 1 JANUARY	25,160	19,625	17,518				25,160	19,625	17,518
Return on plan assets	1,359	1,383	418				1,359	1,383	418
Employer contributions	2,993	1,961	662				2,993	1,961	662
Employee contributions		468						468	
Actuarial gains and losses	2,234	(1,306)	(568)				2,234	(1,306)	(568)
Of which experience adjustments	*2,234*	*(1,306)*	*(568)*				*2,234*	*(1,306)*	*(568)*
Benefit payments funded by plan assets	372	(131)	(676)				372	(131)	(676)
Curtailments, settlements and other			683						683
Changes in scope of consolidation	5,599						5,599		
Internal transfer		3,213						3,213	
Translation adjustment	4,191	(53)	1,588				4,191	(53)	1,588
FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER	41,908	25,160	19,625				41,908	25,160	19,625
CHANGE IN FAIR VALUE OF PLAN ASSETS	16,748	5,535	2,107				16,748	5,535	2,107
Excess of projected benefit obligation over plan assets = provision recorded in the balance sheet	**39,455**	**26,697**	**25,657**	**7,619**	**6,424**	**6,244**	**47,074**	**33,121**	**31,901**
• of which France	21,706	16,896	16,696	3,223	2,462	2,627	24,929	19,358	19,323
• of which United States	8,930	5,467	3,498	652	293	266	9,582	5,760	3,764
• of which other regions	8,819	4,334	5,463	3,744	3,669	3,351	12,563	8,003	8,814

The present value of partially funded obligations was €18,537 thousand at 31 December 2010, comprising €8,955 thousand for France and €9,582 thousand for the United States. The present value of partially funded obligations was €10,384 thousand at 31 December 2009, comprising €4,624 thousand for France and €5,760 thousand for the United States.

Post-employment benefit plans:

Post-employment benefit obligations include:

- In France, €21,706 thousand for length-of-service awards including €830 thousand for senior management supplementary pensions at end-December 2010 versus €16,896 thousand and €274 thousand respectively at end-December 2009.
- In the United States, €8,930 thousand including €7,102 thousand for pensions and €1,828 thousand for healthcare plans at end-December 2010 versus €5,467 thousand and €776 thousand respectively at end-2009.

Sensitivity of the post-employment benefit obligation to discount rates at 31 December 2010

- **France:**

  A 25-bps increase in the discount rate would:
  - reduce the obligation by 2.91%.

  A 25-bps decrease in the discount rate would:
  - increase the obligation by 3.04%.

- **United States:**

  A 50-bps increase in the discount rate would:
  - reduce the service cost and interest cost by 6.7%;
  - reduce the obligation by 10%.

  A 50-bps decrease in the discount rate would:
  - increase the service cost and interest cost by 7.3%;
  - increase the obligation by 11.4%.

Other long-term benefit plans:

Other long-term benefits in France correspond to jubilees.

Changes in net balance sheet amounts for post-employment and other long-term benefit plans can be analyzed as follows:

	Post-employment benefit plans			Other long-term benefit plans			Total		
(in thousands of euros)	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**	**2010**	**2009**	**2008**
Net position at 1 January	**26,697**	**25,657**	**27,128**	**6,424**	**6,244**	**6,437**	**33,121**	**31,901**	**33,565**
Expense/(income) for the period									
• Service cost	5,545	2,264	3,222	668	227	249	6,213	2,491	3,471
• Interest cost	3,269	2,447	1,714	161	246	263	3,430	2,693	1,977
• Expected return on plan assets	(1,359)	(1,383)	(418)				(1,359)	(1,383)	(418)
• Curtailments, settlements and other	(377)	(500)	(3,010)	(85)		(47)	(462)	(500)	(3,057)
Benefits paid by the company	(2,151)	(513)	(1,103)	(454)	(277)	(335)	(2,605)	(790)	(1,438)
Employer contributions	(2,993)	(1,961)	(662)				(2,993)	(1,961)	(662)
Employee contributions		(468)						(468)	
Changes in scope of consolidation	11,089	(105)	(3)	852			11,941	(105)	(3)
Actuarial gains and losses	(1,464)	1,386	(1,017)	9	(11)	(344)	(1,455)	1,375	(1,361)
Reclassifications	–			–			–		
Translation adjustment	1,199	(127)	(195)	44	(5)	21	1,243	(132)	(174)
NET POSITION AT 31 DECEMBER	39,455	26,697	25,657	7,619	6,424	6,244	47,074	33,121	31,901

In France, the Labor Market Modernization Act of 25 June 2008 doubled the applicable statutory severance pay due to employees if their contracts are terminated. This change affected the obligations relating to length-of-service awards payable by Group companies covered by the Plastics Industry Collective Bargaining Agreement, as these awards are calculated based on statutory severance pay. The new requirements resulted in a €2.9 million increase in the Group's pension and other post-employment benefit obligations, including €2.1 million recognized in off-balance sheet commitments at 31 December 2010.

c. Sensitivity to trends in healthcare costs in the United States

Impact of a 1-point change in healthcare cost trend rate in the United States:

(in thousands of euros)	31 December 2010		December 2009	
	Increase	Decrease	Increase	Decrease
Effect on service cost and interest cost	9	(8)	17	(14)
Effect on provisions for post-employment benefit obligations	142	(118)	114	(95)

d – Breakdown of plan assets by investments category

At 31 December 2010, plan assets broke down as follows by investment category:

(in thousands of euros)	31 December 2010	31 December 2009
Equities	18,523	9,560
Bonds	15,345	8,965
Real estate	6,023	4,694
Other	2,019	1,942
TOTAL	41,910	25,161

5.2.7. Long and short-term debt

a. Reconciliation of gross and net debt

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

- long-term borrowings
- less loans and other non-current financial assets
- plus short-term debt
- plus overdraft facilities
- less cash and cash equivalents.

(in thousands of euros)	31 December 2010			31 December 2009		
	Total	Current assets	Non current assets	Total	Current assets	Non current assets
Finance lease liabilities	29,406	6,789	22,617	28,537	5,854	22,683
Bank borrowings	784,506	83,977	700,529	604,440	94,593	509,847
Other short-term debt	7,147	7,147	–	2,746	2,746	–
Hedging instruments - liabilities	5,362	5,362	–	5,516	5,516	–
Total borrowings (B)	826,420	103,275	723,145	641,239	108,709	532,530
Long-term financial receivables	(20,662)	–	(20,662)	(14,651)	–	(14,651)
Finance receivables	(97,811)	(51,034)	(46,777)	(116,283)	(47,670)	(68,613)
Other short-term financial receivables	(4,098)	(4,098)	–	(3,624)	(3,624)	–
Hedging instruments - assets	(3,385)	(3,385)	–	–	–	–
Total financial receivables (C)	(125,956)	(58,517)	(67,439)	(134,558)	(51,294)	(83,264)
Gross debt (D) = (B) + (C)	700,464	44,758	655,706	506,681	57,415	449,266
Net cash and cash equivalents at end of year as recorded in the statement of cash flows (A)*	(162,633)	(162,633)	–	(101,010)	(101,010)	–
NET DEBT (E) = (D) - (A)	537,831	(117,875)	655,706	405,672	(43,594)	449,266

** See Note 5.1.12.b. about the net cash.*

None of the Group's loan agreements contain acceleration clauses based on compliance with financial ratios.

b. Utilization of medium-term credit lines

At 31 December 2010, the Group had access to several confirmed bank lines of credit with an average maturity of more than three years. The lines had not been fully drawn down at the year-end. They amounted to €1,257 million at 31 December 2010 versus €898 million at 31 December 2009.

c. Analysis of debt by currency

As a % of total debt	31 December 2010	31 December 2009
Euro	93%	90%
US dollar	6%	8%
Pound sterling	0%	2%
Other currencies	1%	0%
TOTAL	100%	100%

d. Analysis of debt by type of interest rate

As a % of total debt	31 December 2010	31 December 2009
Hedged floating rates	68%	69%
Unhedged floating rates	17%	30%
Fixed rates	15%	1%
TOTAL	100%	100%

5.2.8. Interest rate and currency hedges

5.2.8.1 Interest rate hedges

Interest rate hedges used in 2010 included swaps, caps and collars. Their purpose is to hedge variable rate debt against increases in the Euribor and USD Libor.

At 31 December 2010, all interest rate derivatives in the portfolio qualified for hedge accounting under IAS 39 and were therefore measured at their fair value. Their fair value amounted to:

- €558 thousand at 31 December 2010
- versus €(414) thousand at 31 December 2009, broken down as follows:

Financial instruments with a positive fair value (assets):	€2,972 thousand
Financial instruments with a negative fair value (liabilities):	€(2,414) thousand
Net carrying amount:	**€558 thousand**
Premiums payable at 31 December 2010:	€2,535 thousand
Net carrying amount after premiums:	**€(1,977) thousand**

The change in the effective portion of these instruments, recognized through equity, amounted to:

- €2,081 thousand before tax in 2010
- versus €(2,069) thousand before tax in 2009.

The change in fair value recognized in profit or loss was:

- €750 thousand in 2010, including a change of €(1,109) thousand in the ineffective portion
- versus €2,377 thousand in 2009, including a change of €(485) thousand in the ineffective portion.

The change in fair value of interest rate hedging instruments was recognized in financial income or expense in the amount of €(3,620) thousand (€(1,774) thousand in 2009).

In 2010:

- €3,289 thousand was transferred from equity to profit or loss following the recognition of the hedged cash flows in profit or loss, i.e. interest payments on variable-rate financial liabilities
- versus €3,961 thousand in 2009.

Premiums payable on interest rate hedging instruments amounted to:

- €2,535 thousand at 31 December 2010
- versus €5,102 thousand in 2009.

The tables below analyze changes in fair value of the interest rate hedging instruments and the ensuing impact on the income statement and equity as well as the amounts of the related interest paid and received.

At 31 December 2010

(in thousands of euros)	1 January 2010	Purchases/ (Sales)	Income statement impact	Equity impact	31 December 2010
Premiums	4,527	(841)	(1,224)		2,462
Interest receivable	–				–
Interest payable	(519)		206		(313)
Fair value adjustments	(4,422)		750	2,081	(1,591)
Balance sheet	**(414)**	**(841)**	**(268)**	**2,081**	**558**
Interest received in the year			–		
Interest paid in the year			(3,352)		
INCOME STATEMENT			(3,620)		

At 31 December 2010, hedged contracts totaled €570 million with a maturity of 2.5 years to 4.5 years. They are entirely in euros as the Group has virtually no remaining US dollar debt.

At 31 December 2009

(in thousands of euros)	1 January 2009	Purchases/ (Sales)	Income statement impact	Equity impact	31 December 2009
Premiums	6,158	–	(1,631)		4,527
Interest receivable	712		(712)		–
Interest payable			(519)		(519)
Fair value adjustments	(4,730)		2,377	(2,069)	(4,422)
Balance sheet	**2,140**	**–**	**(485)**	**(2,069)**	**(414)***
Interest received in the year			718		
Interest paid in the year			(2,007)		
INCOME STATEMENT			(1,774)		

** At 31 December 2009, hedged contracts included €645 million in euro contracts and $50 million in US dollar contracts. The corresponding interest rate hedges had a maturity of 4 years and 3 years respectively.*

Hedging instruments with a negative fair value:	*€414 thousand*
Premiums outstanding at 31 December 2009:	*€5,102 thousand*
Total recognized under "hedging instruments" in liabilities	***€5,516 thousand***

5.2.8.2 Currency hedges

(Foreign currency, in millions – notional amounts)	31 December 2010		31 December 2009	
	Expiry date 2011	Exchange rate	Expiry date 2010	Exchange rate
Forward sales				
USD - forward exchange contract	1.5	1.33	3.1	1.45
GBP - forward exchange contract	4.2	0.85	4.5	0.91
USD - currency swap	(8.7)	1.32	(22.5)	1.43
GBP - currency swap	2.2	0.86	0.6	0.89

5.2.9. Operating and other liabilities

a. Trade payables

(in thousands of euros)	31 December 2010	31 December 2009
Trade payables	517,127	380,373
Due to suppliers of fixed assets	11,712	6,764
TOTAL	528,839	387,137

b. Other operating liabilities

(in thousands of euros)	31 December 2010	31 December 2009
Accrued employee benefits expense	95,444	76,470
Accrued taxes	20,975	8,935
Other payables	142,528	100,382
Customer prepayments	112,053	99,049
TOTAL	371,000	284,836

c. Trade payables and other operating liabilities by currency

		Liabilities at 31 December 2010			Liabilities at 31 December 2009		
Foreign currency, in thousands		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	524,113	524,113	58%	423,947	423,947	63%
USD	US dollar	192,511	144,073	16%	139,486	96,825	14%
GBP	Pound sterling	25,709	29,868	3%	31,550	35,525	5%
BRL	Brazilian real	46,150	20,810	2%	27,018	10,759	2%
CNY	Chinese yuan	589,050	66,771	8%	448,076	45,559	7%
Other	Other currencies		114,204	13%		59,358	9%
TOTAL			899,839	100%		671,973	100%
Of which:							
Trade payables			*528,839*	*59%*		*387,137*	*58%*
Other current liabilities			*371,000*	*41%*		*284,836*	*42%*

More than half of all trade payables are in euros and no sensitivity tests to currency fluctuations are therefore carried out.

6. Capital management and market risks

Compagnie Plastic Omnium has set up a global cash management system through its subsidiary Plastic Omnium Finance, which manages currency, interest rate and liquidity 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 senior management and the Chairman and Chief Executive Officer.

> 6.1. Capital management

To maintain ready access to sufficient financial resources to carry out its business operations, fund the investments required to drive growth and respond to exceptional circumstances, Plastic Omnium raises both capital and debt financing on the capital markets.

As part of its capital management strategy, the Group provides shareholders with a return primarily by paying dividends, which may be increased or reduced to take into account changing business and 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 capital structure. Net debt includes all of the Group's interest-paying 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 31 December 2010 and 2009, the gearing ratio stood at:

(in thousands of euros)	31 December 2010	31 December 2009
Net debt	537,831	405,672
Equity and quasi-equity (including government grants)	618,338	440,417
GEARING RATIO	86.98%	92.11%

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

> 6.2. Commodities risk - Plastics

The Group is exposed to the risk of fluctuations in the price of polyethylene and polypropylene, ethylene byproducts that are used in injection-molding and blow-molding of plastic parts. This risk arises when supply contracts contain price indexation clauses, which is not always the case with customer sale contracts. The Group hedges a portion of its commodities purchases.

The related benchmark indices for these products are C2 and C3.

Nearly 205,121 tonnes of ethylene byproducts were purchased in 2010 (122,300 tonnes in 2009).

All other variables remaining constant, a 10% increase in the C2 and C3 benchmark indices in 2010 would have had a negative impact of around €14.8 million, before any impact of passing on the rise to customers, compared with a negative impact of €6.8 million in 2009.

Conversely, a 10% decrease would have had a positive impact of the same amount in 2010 and 2009.

> 6.3. Customer credit risk

10.84% of trade receivables at 31 December 2010 were between one month and one year past due (13.44% at 31 December 2009). Total trade receivables break down as follows:

Net receivables by age:

31 December 2010 *(in thousands of euros)*	Total receiv-ables	Not yet due	Due and past-due	0-1 month	1-2 months	2-4 months	4-6 months	6-12 months	More than 12 months
Automotive	288,372	271,029	17,343	9,190	1,539	3,503	1,132	299	1,680
Environment	84,065	59,231	24,834	7,948	2,606	2,766	2,608	3,463	5,443
Unallocated items	19,343	19,051	292	292					
TOTAL	391,780	349,311	42,469	17,430	4,145	6,269	3,740	3,762	7,123

31 December 2009 *(in thousands of euros)*	Total receiv-ables	Not yet due	Due and past-due	0-1 month	1-2 months	2-4 months	4-6 months	6-12 months	More than 12 months
Automotive	176,915	162,638	14,277	6,094	5,610	464	1,023	672	414
Environment	84,847	64,172	20,675	7,172	3,779	3,092	1,916	1,882	2,834
Unallocated items	270		270	54	216				
TOTAL	262,032	226,810	35,222	13,321	9,605	3,556	2,939	2,554	3,248

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

> 6.4. Liquidity risk

The Group needs to have 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 developments.

This need is met mainly through medium-term credit lines with banks and short-term credit 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 every week.

6.4.1. Other non-current finance receivables - carrying amounts and undiscounted values

	December 2010		December 2009	
(in thousands of euros)	Undis-counted finance receivables	Discounted future minimum lease receivables	Undis-counted finance receivables	Discounted future minimum lease receivables
Due within one year (see note 5.1.9)	–	–	–	–
Due in one to five years (see note 5.1.7)	59,876	51,337	82,109	77,134
Other receivables	10,718	6,035	10,720	8,986
Finance receivables related to Environment finance leases	7,966	6,892	2,717	2,464
Finance receivables related to Automotive contracts	41,192	38,410	68,672	65,684
Due beyond five years (see note 5.1.7)	2,188	1,475	500	465
Other receivables	–	–	–	–
Finance receivables related to Environment finance leases	2,188	1,475	354	324
Finance receivables related to Automotive contracts	–	–	146	141
TOTAL	62,064	52,812	82,609	77,599

6.4.2. Carrying amounts of financial assets and liabilities

The table below shows the carrying amounts of financial assets and liabilities.

The difference between carrying amount and fair value of items measured at amortized cost was not material at 31 December 2010 for the following reasons:

- Other financial assets and finance receivables: these items mainly comprise receivables recognized at their net present value when due in more than one year;
- Trade receivables, other short-term finance receivables and trade payables: these items are due in less than one year.
- Bank borrowings and overdraft facilities: 99% of the Group's financing is variable-rate.

(in thousands of euros)	IAS 39 category	31 December 2010 Carrying amount	31 December 2009 Carrying amount
FINANCIAL ASSETS			
Available-for-sale financial assets	At fair value through equity	1,444	2,083
Other financial assets	At amortized cost	66,591	83,264
Finance receivables	At amortized cost	51,034	47,670
Trade receivables	Loans and receivables at amortized cost	391,780	262,032
Other short-term financial receivables	Loans and receivables at amortized cost	4,098	3,624
Hedging instruments	Cash flow hedges at fair value through equity	3,385	–
Cash and cash equivalents	Financial assets at fair value through profit or loss	193,305	134,987
Assets held for sale	Lower of carrying amount and estimated sale price	–	–
FINANCIAL LIABILITIES			
Long-term borrowings	At amortized cost	723,145	532,530
Bank overdrafts	At amortized cost	30,672	33,977
Short-term borrowings	At amortized cost	90,766	100,447
Other short-term debt	At amortized cost	7,147	2,746
Hedging instruments	Cash flow hedges at fair value through equity	5,362	5,516
Trade payables	At amortized cost	528,839	387,137
Liabilities related to assets held for sale	Lower of carrying amount and estimated sale price	–	–

6.4.3. Liquidity risk by maturity

Liquidity risk by maturity is based on undiscounted contractual cash flows from financial assets and liabilities. Liquidity risk can be analyzed as follows:

At 31 December 2010

(in thousands of euros)	31 December 2010	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL ASSETS				
Available-for-sale financial assets	1,444		1,444	
Other financial assets*	21,563	21,563		
Finance receivables*	102,729	102,729		
Trade receivables**	391,781	384,658	7,123	
Other short-term financial receivables	4,098	4,098		
Hedging instruments	3,385	3,385		
Cash and cash equivalents	193,305	193,305		
TOTAL FINANCIAL ASSETS	**718,305**	**709,738**	**8,567**	
FINANCIAL LIABILITIES				
Long-term borrowings	832,589	–	762,274	70,315
Bank overdrafts	30,672	30,672		
Short-term borrowings	90,766	90,766		
Other short-term debt	7,147	7,147		
Hedging instruments	5,362	5,362		
Trade payables	528,839	528,839		
TOTAL FINANCIAL LIABILITIES	**1,495,375**	**662,786**	**762,274**	**70,315**
FINANCIAL ASSETS AND FINANCIAL LIABILITIES - NET#	(777,070)	46,952	(753,707)	(70,315)

** Amounts not discounted.*
*** Trade receivables include €42,469 past due at 31 December. See ageing analysis in note 6.3.*
 # See note 5.2.7.b on available confirmed medium-term credit lines and drawdowns.

At 31 December 2009

(in thousands of euros)	31 December 2009	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL ASSETS				
Available-for-sale financial assets	2,083		2,083	
Other financial assets*	16,385		16,385	
Finance receivables*	120,960	49,071	71,389	500
Trade receivables**	262,032	262,032		
Other short-term financial receivables	3,624	3,624		
Hedging instruments	–			
Cash and cash equivalents	134,987	134,987		
TOTAL FINANCIAL ASSETS	**540,071**	**449,714**	**89,857**	**500**
FINANCIAL LIABILITIES				
Long-term borrowings	617,809		543,416	74,393
Bank overdrafts*	33,977	33,977		
Short-term borrowings	100,447	100,447		
Other short-term debt	2,746	2,746		
Hedging instruments	5,516	5,516		
Trade payables	387,137	387,137		
TOTAL FINANCIAL LIABILITIES	**1,147,632**	**529,823**	**543,416**	**74,393**
FINANCIAL ASSETS AND FINANCIAL LIABILITIES - NET#	(607,561)	(80,109)	(453,559)	(73,893)

** Amounts not discounted.*
*** Trade receivables include €35,222 thousand past due at 31 December 2009. See ageing analysis in note 6.3.*
 # See note 5.2.7.b on available confirmed medium-term credit lines and drawdowns.

> 6.5. Currency risk

Because Plastic Omnium's business is based mainly on local production facilities, exposure to currency risks is limited, except for intra-group billings between entities with different functional currencies.

Group policy consists of hedging currency risks arising from cross-border transactions, without carrying out any trading transactions. All hedging positions are taken by Group Treasury, in liaison with the operating divisions and national structures.

> 6.6. Interest rate risk

Interest rate risk on debt is managed with the prime objective achieving acceptable levels of interest cover.

Financial transactions, particularly interest rate hedges, are carried out with a number of leading financial institutions. A competitive bidding approach is used for all material transactions, one of the selection criteria being satisfactory resource and counterparty diversification.

At 31 December 2010, 74% of borrowings in euros were hedged over 2.5 years and 4.5 years using non-speculative financial instruments (72% over 4 years at 31 December 2009). 60% of borrowings in US dollars were hedged using non-speculative financial instruments at 31 December 2009. These instruments matured in March 2010 and have not been renewed due to the decrease in US dollar financial liabilities.

Sensitivity to interest rate changes:

At 31 December 2010, a 1% rise or fall in interest rates on the Group's variable rate debt would have increased or decreased interest expense by €3 million after the impact of hedging (€8 million increase or €3 million decrease at 31 December 2009).

> 6.7. Competition proceedings

On 22 December 2010, the French Competition Authority ordered Signature SA to pay a fine of €18.5 million for cartel behavior with its competitors in the vertical road signage segment prior to 2006.

On the same day, Sodilor was ordered to pay a fine of €0.259 million for abuse of dominant position in the road safety equipment market.

Signature SA and Sodilor have filed an appeal with the Paris Appeal Court.

As the seller's warranty given by Burelle SA on the sale of Signature in July 2007 is capped at €11 million, the impact of this ruling for the Group amounts to €8.3 million, which was provided for in 2010.

7. Other information

> 7.1. Number of employees at year-end

	December 2010			December 2009			Change
Employees	Excluding temporary staff	Temporary staff	Total	Excluding temporary staff	Temporary staff	Total	Total
France	4,774	770	5,544	4,481	448	4,929	12%
%	*30.5%*	*33.9%*	*30.9%*	*36.1%*	*34.3%*	*35.9%*	
Europe excluding France	4,635	531	5,166	3,575	357	3,932	31%
%	*29.6%*	*23.4%*	*28.8%*	*28.8%*	*27.4%*	*28.6%*	
North America	2,276	258	2,534	1,751	101	1,852	37%
%	*14.5%*	*11.3%*	*14.1%*	*14.1%*	*7.7%*	*13.5%*	
Asia and South America*	3,989	715	4,704	2,626	399	3,025	56%
%	*25.4%*	*31.4%*	*26.2%*	*21.1%*	*30.6%*	*22.1%*	
TOTAL	15,674	2,274	17,948	12,433	1,305	13,738	31%
Change by employee category:							
Employees excluding temporary staff			*26.0%*				
Temporary staff			*74.0%*				
Of which, employees of joint ventures adjusted on the basis of the Group's percentage interest in the joint ventures	*1,176*	*1*	*1,177*	*2,972*	*337*	*3,309*	*- 64.4%*

**The "Asia and South America" region includes Turkey and South Africa.*

> 7.2. Off-balance sheet commitments

7.2.1. Commitments given/received

At 31 December 2010

(in thousands of euros)	Total	Intangible assets	Property, plant and equipment	Financial assets/ liabilities	Other non-financial current assets/ liabilities
Surety bonds given	(22,040)	(6)	(419)	(16,305)	(5,310)
Commitments to purchase assets	(9,987)		(9,877)	(110)	
Debt collateral (mortgages)	(6,179)		(6,179)		
Other off-balance sheet commitments	(9,571)		(106)	(6,280)	(3,185)
Total commitments given	**(47,777)**	**(6)**	**(16,581)**	**(22,695)**	**(8,495)**
Surety bonds received	793	121	672		
Total commitments received	**793**	**121**	**672**		
TOTAL COMMITMENTS – NET	(46,984)	115	(15,909)	(22,695)	(8,495)

On its acquisition of 50% of Inergy Automotive Systems, the Group was given a five-year seller's warranty covering any recalls of products manufactured or sold before the acquisition date by Compagnie Plastic Omnium.

At 31 December 2009

(in thousands of euros)	Total	Intangible assets	Property, plant and equipment	Financial assets/ liabilities	Other non-financial current assets/ liabilities
Surety bonds given	(19,098)	(361)	(769)	(14,772)	(3,196)
Commitments to purchase assets	(9,483)	(5,937)	(3,436)	(110)	
Debt collateral (mortgages)	(6,539)		(6,539)		
Other off-balance sheet commitments	(6,910)			(6,001)	(909)
Total commitments given	**(42,030)**	**(6,298)**	**(10,744)**	**(20,883)**	**(4,105)**
Surety bonds received	68	68			
Total commitments received	**68**	**68**			
TOTAL COMMITMENTS – NET	(41,962)	(6,230)	(10,744)	(20,883)	(4,105)

7.2.2. Operating leases where the Group is lessee

(in thousands of euros)	31 December 2010	31 December 2009
Minimum lease payments under non cancelable operating leases		
Due within one year	26,024	20,579
Due in one to five years	45,069	37,991
Due beyond five years	16,709	20,879
TOTAL	87,802	79,449

7.2.3. Right to individual training

The total number of training hours accumulated but not used by the Group's employees based in France was as follows:

(Number of hours)	31 December 2010	31 December 2009
2004 to 2009	–	443,126
2004 to 2010	480,262	–

No provision has been recorded for these rights (see note 1.13). The potential impact is not material.

> 7.3. Related parties

7.3.1. Compensation paid to senior executives and officers

These senior executives and officers are the "persons having authority and responsibility for planning, directing and controlling the activities" of Compagnie Plastic Omnium and its subsidiaries, as defined in IAS 24.

120,000 stock options were granted to senior executives and officers in 2010.

Total compensation and benefits paid to Directors and senior executives in respect of 2010 are as follows.

(in thousands of euros)	Paid or payable by…	2010	2009
Directors' fees	paid by Compagnie Plastic Omnium	59	66
Directors' fees	paid by companies controlled by Compagnie Plastic Omnium (excepted Compagnie Plastic Omnium) and by Burelle SA	229	269
Gross compensation	payable by the Plastic Omnium Group	3,046	2,098
Cost of supplementary pension plan	payable by the Plastic Omnium Group	307	89
Cost of stock option plans	payable by the Plastic Omnium Group	872	847
TOTAL COMPENSATION		4,513	3,369

7.3.2. Transactions with Sofiparc SAS, Burelle SA and Burelle Participations SA

At 31 December 2010

(in thousands of euros)	Direct and indirect costs	Royalties	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receiv-ables	Other receiva-bles	Long and short-term debt
Sofiparc SAS	(4,512)	91	(1,549)	6,450	890	226	–	–	40,327
Burelle SA	2	(4,264)	3	237	–	1,944	–	10,435	–
Burelle Participations SA	–	7	–	–	–	–	–	–	–

At 31 December 2009

(in thousands of euros)	Direct and indirect costs	Royalties	Financial income and expenses	Current accounts	Deposits	Trade payables	Trade receivables
Sofiparc SAS	(4,506)	138	(1,233)	2,060	669	75	2
Burelle SA	2	(3,841)	9	718	–	671	43
Burelle Participations SAS	–	7	–	–	–	–	–

7.3.3. Joint ventures

The consolidated financial statements include transactions with joint ventures carried out in the ordinary course of business on arm's length terms, as follows:

These joint ventures, which correspond to entities jointly managed by Plastic Omnium and other investors, are consolidated by the Group on the following bases:

	December 2010	December 2009
Inergy*	–	50%
Plastic Recycling	50%	50%
BPO*	–	49.98%
VPO joint venture	50%	50%
Yanfeng PO joint venture	49.95%	49.95%
HBPO joint venture	33.33%	33.33%
ARC**	50%	50%

** Fully consolidated in 2010.*
*** Sold in December 2010.*

a. Intra-group balances and transactions between fully consolidated companies and joint ventures

(in thousands of euros)	December 2010*	December 2009*
Revenue	3,200	4,212
Trade receivables	1,818	2,653
Trade payables	(870)	(862)
Dividends	9,766	11,320
Current accounts	225	368

** Data are presented based on the Group's ownership interest in the joint ventures concerned.*

b. Consolidated balance sheet of joint ventures

(in thousands of euros)	31 December 2010	31 December 2009
Non-current assets	59,574	325,964
Current assets	107,144	355,040
TOTAL ASSETS	166,718	681,004
Equity	73,217	266,671
Non-current liabilities	5,597	51,838
Current liabilities	87,904	362,495
TOTAL EQUITY AND LIABILITIES	166,718	681,004

c. Consolidated income statement of joint ventures

(in thousands of euros)	2010	2009
Revenue	**420,800**	**790,063**
Cost of sales	(385,148)	(705,786)
Research and development costs	(5,218)	(19,902)
Distribution costs	(181)	(4,763)
Administrative selling costs	(11,725)	(30,884)
Operating margin	**18,528**	**28,728**
Other operating income and expenses	6,619	10,229
Operating profit	**25,147**	**38,957**
Finance costs, net	102	(4,729)
Profit before tax	25,249	34,230
Income tax expense	(4,621)	(2,659)
NET PROFIT FROM CONTINUING OPERATIONS	20,628	31,571
Net loss from discontinued operations	-	(764)
NET PROFIT	20,628	30,807

> 7.4. Fees paid to the Statutory Auditors

	2010		
(in thousands of euros)	Mazars	Ernst & Young	Total
Audit services	**(1,659)**	**(1,238)**	**(2,897)**
Of which:			
Compagnie Plastic Omnium	*(273)*	*(287)*	*(560)*
Subsidiaries	*(1,386)*	*(951)*	*(2,337)*
Other fees paid to the Statutory Auditors	**(210)**	**(219)**	**(429)**
Of which:			
Compagnie Plastic Omnium	*(8)*	*0*	*(8)*
Subsidiaries	*(202)*	*(219)*	*(421)*
TOTAL	(1,869)	(1,457)	(3,326)

	2009		
(in thousands of euros)	Mazars	Ernst & Young	Total*
Audit services	**(1,101)**	**(832)**	**(1,933)**
Of which:			
Compagnie Plastic Omnium	*(273)*	*(253)*	*(526)*
Subsidiaries	*(828)*	*(579)*	*(1,407)*
Other fees paid to the Statutory Auditors	**(76)**	**(65)**	**(141)**
Of which:			
Compagnie Plastic Omnium	–	–	–
Subsidiaries	*(76)*	*(65)*	*(141)*
TOTAL	(1,177)	(897)	(2,074)

**The fees disclosed for 2009 included all fees relating to audit and consulting work for the Group paid to both the statutory auditors and other firms. In 2010, in accordance with the recommendations made by the Autorité des Marchés Financiers, the figures only include fees paid to the statutory auditors. Fees billed by other firms are therefore not disclosed.*

> 7.5. Consolidating entity

Compagnie Plastic Omnium is fully consolidated in the accounts of Burelle SA, which owns 54.74% of its capital, or 59.85% after the impact of canceling treasury stock.

Burelle SA – 19 Avenue Jules Carteret

69342 Lyon Cedex 07

> 7.6. Subsequent events

To the best of management's knowledge, no events have occurred since the year-end that would be likely to have a material impact on the Group's business, financial position, results or assets.

List of consolidated companies at 31 December 2010

	Reportable segments			31 December 2010			31 December 2009			
Company	Auto-motive	Environ-ment	Not allo-cated	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
France										
COMPAGNIE PLASTIC OMNIUM SA			•	Parent company			Parent company			1
PLASTIC OMNIUM SYSTEMES URBAINS SA		•		F	100	100	F	100	100	1
METROPLAST SAS		•		F	100	100	F	100	100	1
LA REUNION VILLE PROPRE SAS		•		F	100	100	F	100	100	1
PLASTIC OMNIUM CARAÏBES SAS		•		F	100	100	F	100	100	1
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS#	•			F	100	100	P	50	50	2
PLASTIC CFF RECYCLING SAS****	•			P	50	50	P	50	50	
PLASTIC OMNIUM AUTO EXTERIEUR SA	•			F	100	100	F	100	100	1
PLASTIC OMNIUM AUTO EXTERIEUR SERVICES SAS	•			F	100	100	F	100	100	1
TRANSIT SAS		•		F	100	100	F	100	100	1
PLASTIC OMNIUM GESTION SNC			•	F	100	100	F	100	100	1
PLASTIC OMNIUM FINANCE SNC*****			•	F	100	100	F	100	100	1
LUDOPARC SAS		•		F	100	100	F	100	100	1
PLASTIC OMNIUM AUTO SAS			•	F	100	100	F	100	100	1
PLASTIC OMNIUM ENVIRONNEMENT SAS*****		•	•	F	100	100	F	100	100	1
PLASTIC OMNIUM AUTO EXTERIORS SAS	•			F	100	100	F	100	100	1
INOPLASTIC OMNIUM SAS	•			F	100	100	F	100	100	1
INERGY AUTOMOTIVE SYSTEMS SA#	•			F	100	100	P	50	50	2
INERGY AUTOMOTIVE SYSTEMS MANAGEMENT SA#	•			F	100	100	P	50	50	2
PLASTIC OMNIUM ENVIRONNEMENT GUYANE SAS		•		F	100	100	F	100	100	1
VALEO PLASTIC OMNIUM SNC	•			P	50	50	P	50	50	1

Company	Reportable segments			31 December 2010			31 December 2009			
	Auto-motive	Environ-ment	Not allo-cated	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
BEAUVAIS DIFFUSION SAS		•		F	100	100	F	100	100	1
PLASTIC OMNIUM VERNON SAS	•			F	100	100	F	100	100	1
TECHNIQUES ET MATERIELS DE COLLECTE – "TEMACO" SAS		•		F	100	100	F	100	100	1
INOPART SA	•			F	100	100	F	100	100	1
INOPLAST SA	•			F	100	100	F	100	100	1
MECELEC COMPOSITES ET RECYCLAGE – MCR SAS	•			F	100	100	F	100	100	1
ATMC INDUSTRIE SAS******	•			-	-	-	F	100	100	1
ALLEVARD RESSORTS COMPOSITES – "ARC" SAS μμ	•			P	50	50	P	50	50	
COMPAGNIE SIGNATURE SAS			•	F	100	100	F	100	100	
SIGNATURE HOLDING SAS			•	F	100	100	F	100	100	
SIGNATURE SA			•	F	100	100	F	100	100	
SIGNATURE VERTICAL HOLDING SAS		•		F	100	65	F	100	65	6
ATLAS SAS		•		E	26.25	26.25	E	26.25	26.25	
SOCIÉTÉ D'APPLICATIONS ROUTIÈRES SAS		•		E	35	35	E	35	35	
EUROLINERS SAS		•		E	35	35	E	35	35	
SIGNATURE TRAFFIC SYSTEMS SAS		•		F	100	65	F	100	65	6
SIGNALISATION SÉCURITÉ SARL		•		E	35	35	E	35	35	
FARCOR SAS		•		F	100	65	F	100	65	6
SODILOR SAS		•		F	100	65	F	100	65	6
SECTRA		•		E	35	35	E	35	35	
SIGNALIS SAS		•		E	35	35	E	35	35	
SIGNALISATION TOULOUSAINE SAS		•		E	35	35	E	35	35	
EUROMARK HOLDING SAS		•		E	35	35	E	35	35	
SIGNATURE INTERNATIONAL SAS			•	F	100	100	F	100	100	
SIGNATURE SAS*****		•		E	35	35	E	35	35	
SIGNATURE FRANCE SAS		•		E	35	35	E	35	35	
SIGNATURE GESTION SAS		•		E	35	35	E	35	35	
GTU SAS		•		E	35	35	E	35	35	
SULO FRANCE SAS		•		F	100	100	F	100	100	1

	Reportable segments			31 December 2010			31 December 2009			
Company	Auto-motive	Environ-ment	Not allo-cated	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
Argentina										
INERGY AUTOMOTIVE SYSTEMS ARGENTINA SA#	•			F	100	100	P	50	50	
PLASTIC OMNIUM SA	•	•		F	100	100	F	100	100	
Belgium										
PLASTIC OMNIUM AUTOMOTIVE NV	•			F	100	100	F	100	100	
PLASTIC OMNIUM NV		•		F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS BELGIUM RESEARCH NV#	•			F	100	100	P	50	50	
INERGY AUTOMOTIVE SYSTEMS BELGIUM SA#	•			F	100	100	P	50	50	
DIDIER VANDENWEGHE NV		•		E	35	35	E	35	35	
VANDIPAINT NV		•		E	35	35	E	35	35	
SULO NV		•		F	100	100	F	100	100	
Brazil										
INERGY AUTOMOTIVE SYSTEMS DO BRASIL LTDA#	•			F	100	100	P	50	50	
PLASTIC OMNIUM DO BRASIL LTDA	•			F	100	100	F	100	100	
Canada										
INERGY AUTOMOTIVE SYSTEMS CANADA INC#	•			F	100	100	P	50	50	
HBPO CANADA	•			P	33.33	33.33	P	33.33	33.33	
Chile										
PLASTIC OMNIUM SA		•		F	100	100	F	100	100	
China										
JIANGSU XIENO AUTOMOTIVE COMPONENTS CO LTD	•			F	60	60	F	60	60	
INERGY AUTOMOTIVE SYSTEMS CONSULTING (BEIJING) CO LTD#	•			F	100	100	P	50	50	
YANFENG PO AUTOMOTIVE EXTERIOR SYSTEMS CO LTD	•			P	49.95	49.95	P	49.95	49.95	
PLASTIC OMNIUM (SHANGHAÏ) BUSINESS CONSULTING CO LTD**			•	F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS WUHAN CO LTD#	•			F	100	100	P	50	50	
INERGY AUTOMOTIVE SYSTEMS MANUFACTURING (Beijing) CO LTD** #	•			F	100	100	P	50	50	
CHONGQING YANFENG PO AE FAWAY CO LTD*	•			P	49.95	49.95	-	-	-	

	Reportable segments			31 December 2010			31 December 2009			
Company	Auto-motive	Environ-ment	Not allo-cated	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
GUANGZHOU ZHONGXIN YANFENG PO AE TRIM CO LTD*	•			P	49.95	49.95	-	-	-	
CHENGDU FAWAY YANFENG PO*	•			E	24.48	24.48	-	-	-	
Czech Republic										
HBPO CZECH S.R.O	•			P	33.33	33.33	P	33.33	33.33	
VODOROVNE DOPRAVNI ZNACENT S.A.R S.R.O		•		E	35	35	E	35	35	
SULO SRO		•		F	100	100	F	100	100	
Germany										
PLASTIC OMNIUM GmbH			•	F	100	100	F	100	100	9
PLASTIC OMNIUM AUTO COMPONENTS GmbH	•			F	100	100	F	100	100	9
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH		•		F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS GERMANY GmbH#	•			F	100	100	P	50	50	
HBPO BETEILIGUNGSGESELLS-CHAFT mbH	•			P	33.33	33.33	P	33.33	33.33	
HBPO GERMANY GmbH	•			P	33.33	33.33	P	33.33	33.33	
HBPO GmbH	•			P	33.33	33.33	P	33.33	33.33	
BERLACK GmbH		•		E	35	35	E	35	35	
SULO VERWALTUNG UND TECHNIK GmbH (Signature Verkehrstechnik GmbH)		•		F	100	100	F	100	100	
SIGNATURE MARKIERTECH-NIK GmbH		•		E	35	35	E	35	35	
SIGNATURE DEUTSCHLAND GmbH		•		F	100	100	F	100	100	3
ENVICOMP GmbH & Co KG		•		F	100	100	F	100	100	3
ENVICOMP SYSTEMLOGISTIK VERWARLTUNG GmbH & Co KG		•		F	100	100	F	100	100	3
WESTFALIA SPEDITIONSGESELLSCHAFT mbH		•		F	100	100	F	100	100	3
SULO EINSENWERK STREUBER & LOHMANN GmbH		•		F	100	100	F	100	100	9
SULO UMWELTTECHNIK GmbH		•		F	100	100	F	100	100	9
SULO UMWELTTECHNIK BETEILIGUNGS GmbH		•		F	100	100	F	100	100	9
SULO EMBALLAGEN BETEILI-GUNGS GmbH		•		F	100	100	F	100	100	9

	Reportable segments			31 December 2010			31 December 2009			
Company	Auto-motive	Environ-ment	Not allo-cated	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
SULO EMBALLAGEN GmbH####		•		F	100	100	F	100	100	9
PLASTIC OMNIUM URBAN SYSTEMS GmbH**			•	F	100	100	F	100	100	3
EUROMARK DEUTSCHLAND GmbH**		•		E	35	35	E	35	35	
PLASTIC OMNIUM COMPOSITES GmbH*	•			F	100	100	-	-	-	9
SULO ENTSORGUNGSTECHNIK GmbH*	•			F	100	100	-	-	-	9
Greece										
SIGNATURE HELLAS###		•		E	17.50	17.50	E	35	35	
India										
PLASTIC OMNIUM VARROC PRIVATE LTD	•			F	60	60	F	60	60	
INERGY AUTOMOTIVE SYSTEMS INDIA#	•			F	100	100	P	50	50	
INERGY AUTOMOTIVE SYSTEMS MANUFACTURING INDIA PVT LTD* #	•			F	55	55	-	-	-	
Ireland										
INERGY AUTOMOTIVE SYSTEMS REINSURANCE LTD#	•			F	100	100	P	50	50	
Japan										
INERGY AUTOMOTIVE SYSTEMS KK#	•			F	100	100	P	50	50	
HBPO JAPAN	•			P	33.33	33.33	P	33.33	33.33	
Mexico										
PLASTIC OMNIUM AUTOMOVIL SA DE CV	•			F	100	100	F	100	100	10
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV	•			F	100	100	F	100	100	10
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV	•			F	100	100	F	100	100	10
PLASTIC OMNIUM DEL BAJIO SA DE CV	•			F	100	100	F	100	100	10
INERGY AUTOMOTIVE SYSTEMS MEXICO SA DE CV#	•			F	100	100	P	50	50	
INOPLAST COMPOSITES SA DE CV	•			F	100	100	F	100	100	11
INOPLASTIC OMNIUM INDUSTRIAL SA DE CV	•			F	100	100	F	100	100	11
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV		•		F	100	100	F	100	100	
HBPO MEXICO SA DE CV	•			P	33.33	33.33	P	33.33	33.33	

	Reportable segments			31 December 2010			31 December 2009			
Company	Auto-motive	Environ-ment	Not allo-cated	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
PLASTIC OMNIUM MEDIO AMBIENTE SA DE CV		•		F	100	100	F	100	100	
PLASTIC OMNIUM TOLUCA SA DE CV[*]	•			F	100	100	-	-	-	10
Middle East										
INERGY VLA PLASTIRAN[#]	•			F	51	51	P	25.50	25.50	
Morocco										
INERGY AUTOMOTIVE SYSTEMS MOROCCO[* #]	•			F	100	100	-	-	-	
Netherlands										
PLASTIC OMNIUM BV		•		F	100	100	F	100	100	7
PLASTIC OMNIUM INTERNATIONAL BV			•	F	100	100	F	100	100	7
SIGNATURE WEGMARKER-ING BV		•		E	35	35	E	35	35	
SULO BV		•		F	100	100	F	100	100	
Poland										
INERGY AUTOMOTIVE SYSTEMS POLAND Sp. Z.O.O[#]	•			F	100	100	P	50	50	
PLASTIC OMNIUM AUTO EXTERIORS SP Z.O.O	•			F	100	100	F	100	100	
SULO Sp. Z.O.O		•		F	100	100	F	100	100	
Portugal										
PLASTIC OMNIUM SA[####]		•		F	100	100	F	100	100	
Romania										
INERGY AUTOMOTIVE SYSTEMS ROMANIA[#]	•			F	100	100	P	50	50	
SIGNATURE SEMNALIZARE ROUMANIE[##]		•		E	34.88	34.88	E	34.88	34.88	
Russia										
INERGY RUSSIA[#]	•			F	100	100	P	50	50	
Singapore										
SULO ENVIRONMENTAL SYSTEMS PTE Ltd		•		F	100	100	F	100	100	
Slovakia										
PLASTIC OMNIUM AUTO EXTERIORS S.R.O.	•			F	100	100	F	100	100	
INERGY AUTOMOTIVE SYSTEMS SLOVAQUIA S.R.O.[#]	•			F	100	100	P	50	50	
HBPO SLOVAKIA S.R.O	•			P	33.33	33.33	P	33.33	33.33	
South Africa										
INERGY AUTOMOTIVE SYSTEMS SOUTH AFRICA LTD[#]	•			F	100	100	P	50	50	
PLASTIC OMNIUM URBAN SYSTEMS (Pty) LTD		•		F	100	100	F	100	100	

Company	Reportable segments: Automotive	Reportable segments: Environment	Reportable segments: Not allocated	31 December 2010: Consolidation method	31 December 2010: % voting rights	31 December 2010: % interest	31 December 2009: Consolidation method	31 December 2009: % voting rights	31 December 2009: % interest	Tax group
South Korea										
SAMLIP HBPO CORÉE DU SUD	•			P	16.67	16.67	P	16.67	16.67	
HBPO CORÉE DU SUD	•			P	33.33	33.33	P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS CO LTD#	•			F	100	100	P	50	50	
Spain										
COMPAÑIA PLASTIC OMNIUM SA			•	F	100	100	F	100	100	4
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA	•			F	100	100	F	100	100	4
PLASTIC OMNIUM SISTEMAS URBANOS SA		•		F	100	100	F	100	100	4
INERGY AUTOMOTIVE SYSTEMS VALLADOLID SL#	•			F	100	100	P	50	50	
INERGY AUTOMOTIVE SYSTEMS SPAIN SA (Arevalo/Vigo)#	•			F	100	100	P	50	50	
VALEO PLASTIC OMNIUM SL	•			P	50	50	P	50	50	
JUEGOS LUDOPARC SL µµµ		•		F	100	100	F	100	100	4
INOPLAST SA*****	•			F	100	100	F	100	100	4
HBPO IBERIA SL	•			P	33.33	33.33	P	33.33	33.33	
SIGNATURE SENALIZACION SA		•		F	100	65	F	100	65	
HBPO ESPAGNE AUTOMOVIL SL	•			P	33.33	33.33	P	33.33	33.33	
PLASTIC OMNIUM COMPONENTES EXTERIORES SL*	•			F	100	100	-	-	-	4
Sweden										
PLASTIC OMNIUM AB		•		F	100	100	F	100	100	
Switzerland										
PLASTIC OMNIUM INTERNATIONAL AG#####			•	-	-	-	F	100	100	
PLASTIC OMNIUM AG		•		F	100	100	F	100	100	
PLASTIC OMNIUM RE AG			•	F	100	100	F	100	100	
SIGNAL AG µ		•		F	50	32.50	F	50	32.50	
Thailand										
INERGY AUTOMOTIVE SYSTEMS (THAILAND) LTD#	•			F	100	100	P	50	50	
Turkey										
B.P.O. AS###	•			F	49.98	49.98	P	49.98	49.98	
SIGNATEKMA		•		E	17.50	17.50	E	17.50	17.50	
United Kingdom										
PERFORMANCE PLASTICS PRODUCTS - 3P LTD			•	F	100	100	F	100	100	8

	Reportable segments			31 December 2010			31 December 2009			
Company	Auto-motive	Environ-ment	Not allo-cated	Consoli-dation method	% voting rights	% interest	Consoli-dation method	% voting rights	% interest	Tax group
PLASTIC OMNIUM AUTOMOTIVE LTD	•			F	100	100	F	100	100	8
PLASTIC OMNIUM LTD			•	F	100	100	F	100	100	8
PLASTIC OMNIUM URBAN SYSTEMS LTD		•		F	100	100	F	100	100	8
INERGY AUTOMOTIVE SYSTEMS UK LTD#	•			F	100	100	P	50	50	
SIGNATURE LTD		•		F	100	65	F	100	65	
SULO MGB LTD		•		F	100	100	F	100	100	8
HBPO UK	•			P	33.33	33.33	P	33.33	33.33	
POST & COLUMN***		•		F	100	65	-	-	-	
United States										
EPSCO INTERNATIONAL INC.####			•	F	100	100	F	100	100	5
PLASTIC OMNIUM AUTO EXTERIORS LLC	•			F	100	100	F	100	100	5
PERFORMANCE PLASTICS PRODUCTS – 3 P INC.			•	F	100	100	F	100	100	5
PLASTIC OMNIUM INC.			•	F	100	100	F	100	100	5
PLASTIC OMNIUM INDUSTRIES INC.			•	F	100	100	F	100	100	5
INERGY AUTOMOTIVE SYSTEMS (USA) LLC#	•			F	100	100	P	50	50	
PLASTIC OMNIUM AUTOMOTIVE SERVICES INC.	•			F	100	100	F	100	100	5
HBPO NORTH AMERICA INC.	•			P	33.33	33.33	P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS HOLDING INC.#	•			F	100	100	P	50	50	
SULO OF AMERICA INC#####		•		-	-	-	F	100	100	

Consolidation method and notes:

F: Full consolidation
P: Proportionate consolidation
E: Equity method

Movements during the period:

** Companies newly-formed and/or in start-up phase in 2010*
*** Companies newly-formed and/or in start-up phase in 2009*
**** Companies acquired in 2010*
***** Companies reclassified to a different reportable segment in 2010*
****** Companies whose name was changed in 2009*
******* Companies divested in 2009*
 # Companies in which the Group acquired a controlling interest in 2010
Change in consolidation method and/or percentage in 2009
Change in consolidation method and/or percentage in 2010
Companies liquidated in 2010
Companies liquidated in 2009
µ Company that consolidates the financial statements of Segnaletica Mordasini acquired in 2009
µµ Company acquired in 2010
µµµ Company merged in 2010

Tax groups:

1 France Plastic Omnium
2 France Inergy
3 Signature Germany
4 Spain
5 United States
6 Signature Vertical Holding
7 Netherlands
8 United Kingdom
9 Plastic Omnium Germany
10 Mexico Euro
11 Inoplast Composites SA de CV

Company financial statements

Income statement

(in thousands of euros)	Note	2010	2009
Net sales*		7,709	6,348
Provision reversals and expense transfers	M	–	799
Other operating revenue*		14,359	9,119
Total operating revenue		22,068	16,266
Purchases and other external charges	L	(21,080)	(12,137)
Taxes other than on income		(133)	(188)
Depreciation, amortization and provisions	M	(3,288)	(866)
Other expenses		(1,829)	(1,906)
Operating income		(4,262)	1,169
Joint venture income		(105)	0
Net interest income	N	96,871	76,847
Income before non-operating items		92,504	78,016
Non-operating items	O	80	1,227
Income before tax		92,584	79,243
Corporate income tax	P	15,383	11,668
NET INCOME		107,967	90,911
** Net sales and other operating revenue.*	*K*	*22,068*	*15,467*

Balance sheet

Assets

(in thousands of euros)	Note	2010 Cost	2010 Depreciation, amortization and provisions	2010 Net	2009 Net
Fixed assets					
Intangible assets	A	8,818	(870)	7,948	6,557
Tangible assets	B	7,922	(2,991)	4,931	4,466
Investments	C	647,219	(20,676)	626,543	350,371
Total fixed assets		**663,959**	**(24,537)**	**639,422**	**361,394**
Current assets					
Trade receivables	D	7,512		7,512	4,441
Other receivables	D	316,397	(4,053)	312,344	474,937
Cash and cash equivalents	E	28,678	0	28,678	30,783
Total current assets		**352,587**	**(4,053)**	**348,534**	**510,161**
Prepaid expenses		358		358	389
Conversion losses		1,186		1,186	2,264
TOTAL		**1,018,089**	**(28,590)**	**989,499**	**874,208**

Liabilities and shareholders' equity

(in thousands of euros)	Note	2010	2009
Shareholders' equity			
Share capital	F	8,822	8,822
Additional paid-in capital	G	89,458	89,458
Retained earnings and other reserves	H	275,240	195,585
Net income for the year		**107,967**	**90,911**
Untaxed provisions	I	515	473
Total shareholders' equity		**482,002**	**385,249**
Provisions for contingencies and charges	I	1,339	2,418
Liabilities			
Bank borrowings		478,226	460,736
Other borrowings		17,019	15,018
Trade payables		6,340	2,732
Accrued taxes and payroll costs		865	89
Other liabilities		1,069	7,943
Total liabilities	J	**503,519**	**486,518**
Conversion gains		2,639	23
TOTAL		**989,499**	**874,208**

Notes to the company financial statements 2010

(in thousands of euros)	**2010**
Financial position	
Share capital	8,822
Shareholders' equity	482,001
Financial liabilities	175,464
Net fixed assets	639,422
Total assets	989,499
Results of operations	
Operating revenue	22,068
Operating income	(4,262)
Income before non-operating items	92,504
Non-operating items	80
Net income	107,967
EARNINGS PER SHARE (in euros)	6.12

I. Accounting principles and policies

The financial statements of Compagnie Plastic Omnium have been prepared in accordance with French generally accepted accounting principles (CRC Regulation 99-03 as amended by the various regulations issued by the Comité de la Réglementation Comptable and the Autorité des Normes Comptables).

The accounting policies used to prepare the 2010 financial statements are the same as those used in the previous year. Significant accounting policies are as follows:

> Intangible assets

Intangible assets mainly comprise trademarks and patents, which are not amortized. However, trademark and patent filing fees have been recognized in the income statement since 1 January 2009.

> Property and equipment

In July 2000, Compagnie Plastic Omnium acquired a multi-purpose office building, which it leases to other companies.

Property and equipment are stated at cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Fixtures and fittings	10 years
Office equipment and furniture	5 to 10 years

> Investments

Investments in subsidiaries and affiliates are stated at the lower of cost or transfer value and value in use. Value in use is determined on the basis of the Company's share in the underlying net assets of the subsidiary and its earnings outlook, taking into account current market conditions reflected in the subsidiary's medium-term plan.

> Treasury stock

The Company has been authorized by shareholders to purchase treasury stock to maintain a liquid market for its shares under a liquidity contract with an investment firm, to reduce the share capital by canceling shares, to cover current or future stock option or stock grant plans for employees and officers of the Group, or to hold in treasury for subsequent delivery in exchange or payment for acquisitions.

The accounting classification of treasury shares depends on their end purpose:

- Treasury shares held to pay for acquisitions, reduce the share capital or maintain a liquid market in the shares are classified as investments.
- Treasury shares held to cover current or future stock option plans are classified as marketable securities.

Treasury shares are stated at the lower of cost and fair value on a first-in first-out (FIFO) basis. For treasury shares classified as marketable securities, fair value is the lower of the exercise price of the options granted and the stock market price. For treasury shares classified as investments, fair value is determined on the basis of the average quoted price during the month before the balance sheet date.

> Foreign currency transactions

Unhedged foreign currency payables and receivables are recorded at the transaction date exchange rate and remeasured on the balance sheet date at the year-end rate.

Any resulting gains or losses are recognized in the balance sheet as conversion gains (liabilities) or conversion losses (assets) and a provision is taken for unrealized conversion losses.

II. Notes to the balance sheet

> A. Intangible assets

(in thousands of euros)	2009	+	–	2010
Patents and licenses	7,420	1,398		8,818
Total at cost	7,420	1,398		8,818
Accumulated amortization	863	7		870
TOTAL NET	6,557	1,391		7,948

On 1 July 2010, Inoplast sold a number of trademarks to Compagnie Plastic Omnium for €1,400 thousand. This sale did not include any transfer of customer lists or goodwill. A separate license agreement will be signed in order to grant Inoplast the right to use the divested trademarks.

> B. Tangible assets

(in thousands of euros)	2009	+	–	2010
Land	1,769			1,769
Buildings	2,663	853		3,516
Fixtures and fittings	2,594			2,594
Office equipment and furniture	43			43
Assets in progress	41		41	
Total at cost	7,110	853	41	7,922
Accumulated depreciation	2,644	347		2,991
TOTAL NET	4,466	506	41	4,931

In July 2010, Compagnie Plastic Omnium acquired an office building - Espace H.Vallée – in Lyon for €853 thousand.

> C. Investments

(in thousands of euros)	2009	+	–	2010
Shares in subsidiaries and affiliates	388,726	255,700		644,426
Other long-term investments	765	1,899		2,663
Loans	129			129
TOTAL	389,620	257,599		647,219

Increases in investments in 2010 mainly concerned:

- The recapitalization of Plastic Omnium GmbH (€48,000 thousand).
- The acquisition in early September of 50% of Inergy Automotive Systems SA (€207,700 thousand). Compagnie Plastic Omnium now owns 100% of the share capital and voting rights of Inergy Automotive Systems SA.

See the table on subsidiaries and affiliates for information on impairment.

Other long-term investments mainly included €1,648 thousand in treasury shares held for the purpose of paying for acquisitions or making capital reductions and €167 thousand in treasury shares allocated to the liquidity contract.

At 31 December 2010 no loans were due beyond one year and loans to related companies amounted to €129 thousand.

> D. Receivables

(in thousands of euros)	2010	Due within one year	Related companies
Prepayments to suppliers	23	23	
Trade receivables (1)	7,513	7,513	7,400
Tax receivables (2)	3,253	3,253	
Short-term loans	291,101	291,101	291,101
Other	17,965	10,231	9,498
TOTAL	**319,855**	**312,121**	**307,999**

(1) Including €6,093 thousand in accrued income comprising royalty income (€2,936 thousand) and the provision of services to subsidiaries (€2,665 thousand).
(2) Including €1,403 thousand in accrued income mainly comprising research tax credits (€992 thousand).

Short-term loans correspond to balances on current accounts with other Group companies arising from financing transactions for subsidiaries.

Other receivables due beyond one year correspond to the additional €10,668 thousand consideration to be received on the sale of 3P (which has been written down by €2,934 thousand), which is due beyond four years except if the agreement's acceleration clause is triggered due to the purchaser losing control of the business or if the purchaser sell the business. In this amount are also included tax current accounts due by various members of the tax group headed by Compagnie Plastic Omnium (€9,468 thousand).

> E. Cash and cash equivalents

(in thousands of euros)	2009	+	–	2010
Marketable securities	30,565	17,181	19,953	27,793
Cash	628	257		885
Total at cost	31,193	17,438	19,543	28,678
Accumulated impairments	410		410	–
TOTAL NET	**30,783**	**17,438**	**19,953**	**28,678**

Marketable securities include €26,608 thousand in treasury stock allocated to existing stock option plans and €1,185 thousand in treasury stock held to cover future plans but not yet allocated.

The €409 thousand impairment provision taken end of 2008 against the entire treasury share portfolio, regardless of accounting classification, was reversed in full at year-end.

At 31 December 2010, Compagnie Plastic Omnium held:

- 99,386 shares allocated to the stock option plan granted by the Board of Directors on 11 March 2005, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 22 April 2004.
- 247,000 shares allocated to the stock option plan granted by the Board of Directors on 25 April 2006, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 28 April 2005.
- 298,000 shares allocated to the stock option plan granted by the Board of Directors on 24 July 2007, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 24 April 2007.
- 340,800 shares allocated to the stock option plan granted by the Board of Directors on 22 July 2008, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 24 April 2008.
- 371,500 shares allocated to the stock option plan granted by the Board of Directors on 16 March 2010, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 28 April 2009.
- 3,444 shares allocated to the liquidity contract.
- 89,455 shares held to cover future plans but not yet allocated.
- 30,000 shares held in treasury for subsequent delivery in exchange or payment for acquisitions.

> F. Share capital

The Company's share capital at 31 December 2010 amounted to €8,822,299.50, represented by 17,644,599 common shares with a par value of €0.50 each. The share capital was not increased or reduced during the year.

> G. Additional paid-in capital

Additional paid-in capital totaled €89,458 at 31 December 2010, unchanged from the previous year.

> H. Retained earnings and other reserves

(in thousands of euros)	2009	+	–	2010
Revaluation reserve	234			234
Legal reserve	948			948
Other reserves	41,859			41,859
Unappropriated retained earnings	152,543	79,656		232,199
TOTAL	195,584	79,656		275,240

> I. Provisions

(in thousands of euros)	2009	+	–	2010
Untaxed provisions				
Excess tax depreciation	461	42		503
Other	12			12
TOTAL	473	42		515

(in thousands of euros)	2009	+	–	2010
Provisions for contingencies and charges				
Provisions for foreign exchange losses	2,264	1,185	2,264	1,185
Provisions for other contingencies	154			154
Provisions for taxes (see note P)				
TOTAL	2,418	1,185	2,264	1,339

> J. Liabilities

(in thousands of euros)	2010	Due within one year	Related companies
Bank borrowings (1)	478,226	63,660	
Other borrowings	17,019	17,019	17
Trade payables (2)	6,340	6,340	4,428
Accrued taxes and payroll costs	865	865	
Other liabilities	1,069	1,069	1,068
TOTAL	503,519	88,953	5,513

(1) Including accrued interest payable (€894 thousand).
(2) Including €4,209 thousand in accrued expenses mainly comprising services provided by subsidiaries (€3,085 thousand), trademark license fees (€487 thousand), professional fees (€264 thousand) and patent protection expenses (€218 thousand).

At 31 December 2010, bank borrowings due beyond one year totaled €414,567 thousand (€408,437 thousand at 31 December 2009), of which €54,151 thousand is due beyond five years.

Short-term debt comprises €17,000 thousand in commercial paper (€15,000 thousand in 2009) issued entirely in the domestic market. This is a revolving credit line that can be drawn down for periods of three to six months.

Other liabilities correspond to tax current accounts with the various companies in the Compagnie Plastic Omnium tax group (€1,068 thousand).

III. Notes to the statement of income

> K. Net sales and other operating revenues

Net sales and other operating revenues are analyzed in the tables below.

(in thousands of euros)	**2010**	**2009**
By business segment		
License and service fees	19,630	12,016
Other	2,438	3,451
TOTAL	22,068	15,467
By region		
France	16,642	12,168
International	5,426	3,299
TOTAL	22,068	15,467

Operating revenue includes:

- fees from the licensing of the Compagnie Plastic Omnium brands to operating subsidiaries and affiliates;
- fees from the provision of services;
- expenses and rental payments rebilled to these companies or to other related companies.

L. Purchases and other external charges

(in thousands of euros)	**2010**	**2009**
Executive management services	1,064	972
Overheads and headquarters expenses	1,931	1,262
Fees	3,237	2,110
Advertising, print collateral and publication	1,173	1,061
Travel and entertainment	535	371
Bank charges	5,665	1,845
Other	7,475	4,516
TOTAL	21,080	12,137

The increase in bank charges was due mainly to the acquisition of Inergy Automotive Systems, as was the increase in other purchases and external charges, which include €5,738 thousand in services rebilled to Group subsidiaries compared with €3,116 thousand in 2009.

> M. Depreciation, amortization and provisions

(in thousands of euros)	2009	+	–	2010
Deducted from assets				
Patents and licenses	863	7		870
Buildings	480	87		567
Fixtures and fittings	2,123	260		2,383
Office equipment and furniture	41			41
Investments	39,249	383	18,957	20,675
Other receivables	1,119	2,934		4,053
Marketable securities	409		409	
Deferred charges				
TOTAL	44,284	3,671	19,366	28,589
Included in liabilities				
Untaxed provisions	472	42		514
Provisions for contingencies and charges	2,418	1,185	2,264	1,339
TOTAL	2,890	1,227	2,264	1,853
			Increase	Decrease
Total increase/decrease			4,898	21,630
Of which:				
Included in operating income and expense			3,288	
Included in interest income and expense			1,568	21,630
Included in non-operating items			42	

> N. Net interest income

(in thousands of euros)	2010	2009
Dividend income	82,604	42,888
Other income		1,371
Interest income and expense	(1,826)	(1,751)
Foreign exchange gains and losses	(3,969)	(2,557)
Provision movements	20,062	36,896
TOTAL	96,871	76,847

Dividend income includes €5,716 in dividends from foreign subsidiaries and €76,888 from French subsidiaries.
The decrease in provisions mainly includes a reversal of the impairment provisions against treasury stock (€410 thousand), a net reversal of impairment provisions against investments in subsidiaries and affiliates (€18,574 thousand) and a net reversal of provisions for foreign exchange losses (€1,078 thousand).
Transactions with related companies represented net interest income of €5,068 thousand.

> O. Non-operating items

(in thousands of euros)	2010		
	Income	Expense	Net
On revenue transactions	-	-	-
On capital transactions	995	873	122
Provision movements		42	(42)
TOTAL	995	915	80

Net non-operating income primarily reflected a loss on disposal of Plastic Omnium Urban Systems Ltd shares to Plastic Omnium International BV (€355 thousand) and a net gain on disposal of treasury shares (€477 thousand).

> P. Corporate income tax

(in thousands of euros)	2010		
	Income before non-operating items	Non-operating items	Net
* Income before tax (A)	92,504	80	92,584
* Tax adjustments	(67,039)		(67,039)
= Tax base	25,465	80	25,545
Tax at standard rate (B)	(8,488)	(27)	(8,515)
Income after tax at standard rate	84,016	53	84,069
Impact of group relief (C)			17,809
Reversal of provisions for taxes (D)			
Other impacts (including withholding taxes) (E)			(2,426)
Total corporate income tax (F) = (B)+(C)+(D)+(E)			15,383
INCOME AFTER TAX (A) - (F)			107,967

Compagnie Plastic Omnium is the parent company of a tax group comprising 22 companies, corresponding to substantially all of the Company's French subsidiaries.

The income tax benefit generated from group relief in 2010 came to €17.8 million, which is recorded in full as income in the financial statements of Compagnie Plastic Omnium. In accordance with the neutrality principle under the group tax relief agreement, Compagnie Plastic Omnium is required to pass back any tax benefit it obtains from the use of a subsidiary's tax losses if the subsidiary returns to profit.

At 31 December 2010, the tax group had tax loss carryforwards totaling €53.2 million, which will reduce the future tax charge by €17.7 million. The tax expense to be paid back to the subsidiaries under the group relief agreement amounted to €17.2 million and therefore no provision was recognized.

The tax loss carryforwards, which have arisen since 2000, were reduced by €53.2 million in 2010, due to taxable profits generated by companies in the tax group.

The increase or decrease in unrecognized deferred tax assets, calculated at a tax rate of 33.33%, broke down as follows at 31 December 2010:

Non-deductible provisions and accrued expenses	€408 thousand
Provisions for impairment of shares in subsidiaries and affiliates and other long-term investments	€128 thousand
Expenses related to the Inergy Automotive Systems acquisition	€183 thousand
Conversion gains	€880 thousand
Share in net loss of Plastic Omnium Gestion	€1,166 thousand
Conversion losses	€(395 thousand)
UNRECOGNIZED DEFERRED TAX ASSETS	€2,370 thousand

IV. Other information

> Off-balance sheet commitments

- Commitments given

	31/12/2010
Guarantees*	291,649
Collateral	6,179
TOTAL	297,828

** Guarantees given to banks on behalf of subsidiaries.*

There were no other material commitments or commitments that might become material in the future.

- Commitments received

On its acquisition of 50% of Inergy Automotive Systems SA, Compagnie Plastic Omnium was given a five-year seller's warranty covering any recalls of products manufactured or sold before the acquisition date.

> Debts secured by collateral

Debts secured by collateral amounted to €6,179 thousand under a conventional mortgage agreement.

> Loans and advances to directors and officers

No loans or advances governed by Article L.225-43 of the French Commercial Code have been granted to directors or officers.

> Management compensation

The total compensation paid to the members of the Board of Directors in 2010 amounted to €226,992.

> Subsequent events

No significant events have occurred since 31 December 2010.

> Other

The financial statements of Compagnie Plastic Omnium are included in the consolidated financial statements of Burelle SA - 19, avenue Jules Carteret - 69342 Lyon Cedex 07, France.

At 31 December 2010, Burelle SA held 54.74% of the capital of Compagnie Plastic Omnium.

Five-Year Financial Summary

(in thousands of euros)	2006	2007	2008	2009	2010
1 - Capital at year-end					
a) Share capital	9,447	9,336	9,073	8,822	8,822
b) Number of shares outstanding*	18,894,842	18,671,332	18,146,794	17,644,599	17,644,599
c) Number of convertible bonds outstanding	0	0	0	0	0
2 – Results of operations					
a) Net sales	15,951	19,221	18,218	15,467	22,068
b) Income before tax, depreciation, amortization and provisions	8,288	48,101	(11,283)	27,508	75,853
c) Corporate income tax	4,176	(621)	5,422	11,668	15,383
d) Net income	10,674	46,560	17,829	90,911	107,967
e) Dividends	12,471	13,070 (1)	6,351 (2)	12,351 (3)	24,702 (4)
3 – Per share data					
a) Income after tax, before depreciation, amortization and provisions	0.66	2.54	(0.32)	2.22	5.17
b) Earnings per share	0.56	2.49	0.98	5.15	6.12
c) Dividend	0.66	0.70	0.35	0.70	1.40
4 – Employee data					
a) Number of employees	0	0	0	0	0
b) Total payroll	0	0	0	0	0
c) Total benefits	0	0	0	0	0

** Reflecting the two-for-one stock split on 18 May 2005.*

(1) Including €901 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.
(2) Including €422 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.
(3) Including €1,095 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.
(4) Before deducting dividends due on shares held in treasury at the date of the Shareholders' Meeting, which do not carry dividend rights.

Subsidiaries and affiliates

	Share capital	% interest
SUBSIDIARIES		
PLASTIC OMNIUM AUTO SAS 19, avenue Jules Carteret – 69007 Lyon – France	€15,021,440	100.0%
TRANSIT SAS 19, avenue Jules Carteret – 69007 Lyon – France	€37,500	100.0%
PLASTIC OMNIUM ENVIRONNEMENT 19, avenue Jules Carteret – 69007 Lyon – France	€4,900,000	100.0%
PLASTIC OMNIUM AUTO EXTERIORS SAS 19, avenue Jules Carteret – 69007 Lyon – France	€54,037,500	100.0%
PLASTIC OMNIUM GESTION SNC 19, avenue Jules Carteret – 69007 Lyon – France	€2,011,500	100.0%
PLASTIC OMNIUM VERNON 19, avenue Jules Carteret – 69007 Lyon – France	€150,000	100.0%
PLASTIC OMNIUM GmbH Romanstrasse 35- 80639 Munich – Germany	€13,500,000	100.0%
COMPAÑIA PLASTIC OMNIUM SA Calle Pouet de Nasio – Parcela N° 5 – Ribarroja del Turia – Valencia – Spain	€30,350,000	100.0%
PLASTIC OMNIUM RE AG Sternengasse 21 – CH – 4010 Basel – Switzerland	CHF 5,000,000	90.0%
PLASTIC OMNIUM INTERNATIONAL SAS 19, avenue Jules Carteret – 69007 Lyon – France	€37,500	100.0%
PLASTIC OMNIUM FINANCE SNC 19, avenue Jules Carteret – 69007 Lyon – France	€247,500	100.0%
PLASTIC OMNIUM SHANGHAI BUSINESS CONSULTING CO Ltd Suite 1105, Building 20, N° 487 Tianlin Road, Caoejing, High Tech Park, 200233 Shanghai, PR China	RMB 2,303,350	100.0%
PO MANAGEMENT 1 SAS 19, avenue Jules Carteret – 69007 Lyon – France	€37,500	100.0%
PO MANAGEMENT 2 SAS 19, avenue Jules Carteret – 69007 Lyon – France	€37,500	100.0%
INERGY AUTOMOTIVE SYSTEMS SA 19, avenue Jules Carteret – 69007 Lyon – France	€119,796,330	76.8%
AFFILIATES		
PLASTIC OMNIUM AS Halaskargazi Cad. Ciftkurt Apt. No 368/10 Sisli – Istanbul – Turkey	TRL million 410,000	10.6%
PLASTIC OMNIUM Ltd Huntington Way – Measham Swadlincote – Derbyshire DE12 7DS – UK	£ 6,270,000	17.1%
BPO AS Y.Yalova Yolu 8 km, Panayir – Bursa – Turkey	TRL million 1,100,000	50.0%
PLASTIC RECYCLING SAS ZA du Monay – Saint Eusèbe – 71210 Montchanin – France	€75,000	50.0%

(in thousands of euros)	Subsidiaries		Affiliates	
	French	International	French	International
Book value of shares				
• Cost	493,859	141,700	2,033	6,757
• *Net*	*493,859*	*124,573*	*1,019*	*4,222*
Loans and advances granted	289,485	1,588		
Guarantees given				
Dividends received	76,888			5,716

We would like to thank everyone who helped in preparing this Annual Report, as well as the Company employees who took part in the photo features.