2012

FINANCIAL REPORT

PLASTIC OMNIUM

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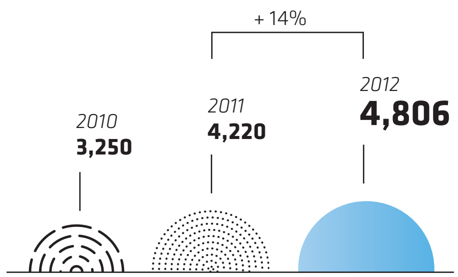
01

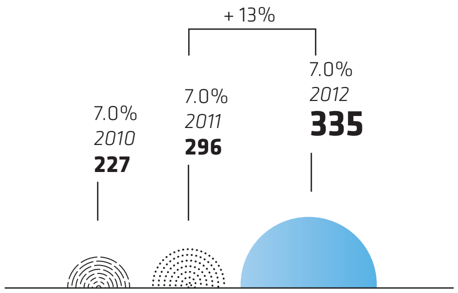
PRESENTATION OF THE COMPANY

1.1 KEY FIGURES

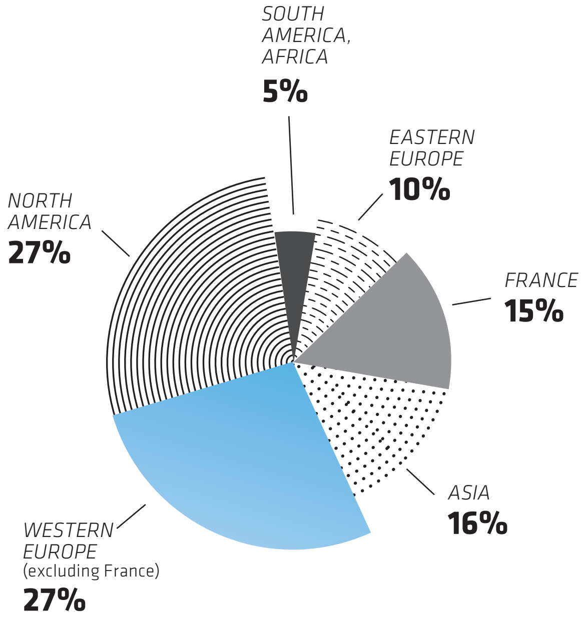
REVENUE
(in € millions)



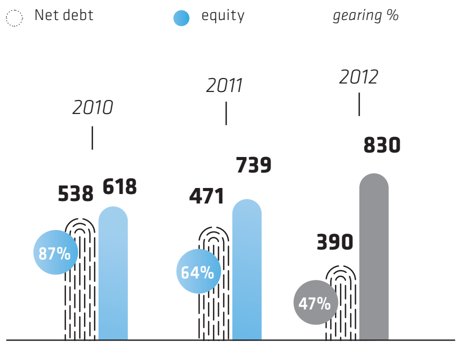
OPERATING MARGIN
(in € millions and as a % of revenue)



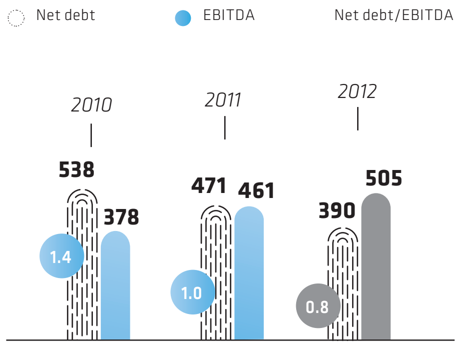
REVENUE
by region



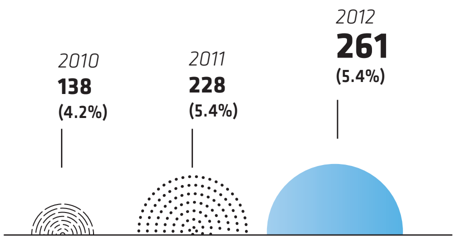
NET DEBT/EQUITY
(in € millions)



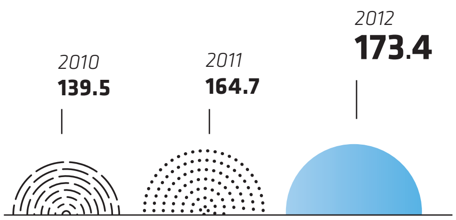
NET DEBT/EBITDA
(in € millions)



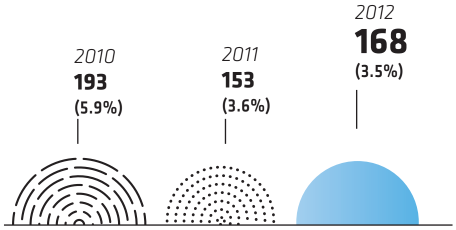
CAPITAL EXPENDITURE
(in € millions and as a % of revenue)



NET PROFIT, GROUP SHARE
(in € millions)



FREE CASH FLOW
(in € millions and as a % of revenue)



1.2 HISTORY

The Company's origins stretch back to 1946, when Plasticomnium set up business in rue du Louvre in Paris. The Company then had three employees and Pierre Burelle was the Chairman and Chief Executive Officer. Its first products were pipe fittings, dehydrator spark plugs, and other plastic automotive parts (Jaeger).

At this time, injection molding machines were characterized by the weight of the part produced. In 1949, the Company had five molds, with the biggest able to produce a 250g part.

In **1952** the Company moved to rue du Parc in Levallois.

In **1954** the Company borrowed to buy a mold capable of making 1,200g parts, a big challenge for a company of this size.

In **1963** new premises in Langres (Haute-Marne) were built to keep pace with the significant growth in business.

In **1965** Plasticomnium took control of UMDP (Union Mutuelle Des Propriétaires Lyonnais), a company listed on the Lyon stock exchange. The two companies merged and Pierre Burelle became Chairman and Chief Executive Officer of the new entity. Plasticomnium's stock market listing dates back to this merger.

UMDP was a septic tank cleaning and sanitation company. Pierre Emile Burelle, a civil engineer and graduate of the Ecole des Mines in Paris, took over its management in 1877 at the age of 29.

Under his leadership, the company installed an extensive pipeline network to carry sludge from the La Mouche plant in Lyon to local farmland and market gardens. The 55km network led to the creation of La Culture par l'Epandage.

After 1914, with the development of sewer systems, Pierre Emile Burelle refocused the business on waste bucket rentals. Upon his death in 1926, two of his sons took over the management of UMDP: Jean, who died in the war in 1915, and Charles, who headed the company until 1965. That was the year when Pierre Burelle, Jean Burelle's son and the grandson of Pierre Emile Burelle, acquired a majority stake in UMDP on Lyon stock exchange.

UMDP's waste bucket business was the starting point for the development of a range of products and services by Pierre Burelle, Chairman and Chief Executive Officer of Plasticomnium, including waste container rental, maintenance and cleaning. This is now the backbone of the Environment Division.

Over the following two years, Pierre Burelle simplified the two companies' product ranges by selling off certain businesses. UMDP's La Mouche plant in Lyon became the waste container management center for the Lyon area and the starting point of the current Environment Division.

In **1966** the current corporate identity was adopted, with a new logo designed by Raymond Loewy and with Plastic Omnium written as two words.

In **1968** Plastic Omnium acquired Gachot's fluorinated resin department and set up a plant in Langres dedicated to this activity, which became the 3P Division.

The **1970s** saw the start of the Company's international expansion with the creation of one subsidiary a year, including Spain in 1970, Germany in 1972, the United Kingdom in 1973, and the United States in 1977.

In **1974**, a Group holding company was set up, Compagnie Plastic Omnium.

In **1974**, the Company acquired a 2,500-tonne injection-molding machine, followed in **1982** by a 10,000-tonne machine, both records in terms of power for the time.

In **1983**, new headquarters were built on rue Jules Carteret in Lyon, and the Berges du Rhône development was built in Lyon on the site of the former La Mouche plant.

In **1984**, the Ludoparc plastic playground and public garden equipment concept was launched, and Metroplast, a rotational casting subsidiary, was set up in Chalon-sur-Saône.

In **1986**, Plastic Omnium's acquisition of Groupe Landry and Techniplaste Industrie led to the creation of the fuel system division that now operates under the name of Inergy Automotive Systems.

In **1987** Jean Burelle took over as Chairman and Chief Executive Officer of Compagnie Plastic Omnium, while Pierre Burelle became Honorary Chairman and remained on the Board.

In the **1990s**, the Company continued to extend its geographic reach with the creation of new subsidiaries and with new acquisitions:

- Zarn in the United States, which operated four container plants was acquired in 1991, and then sold on in 2001.
- Vasam, a fuel tank manufacturer based in Madrid and Vigo, was acquired in 1994.
- Reydel, a dashboard and door panel specialist with operations in France, Spain, Italy and the United Kingdom, was acquired in 1996 and formed the basis of the PO Auto Interior Division that was sold on to Visteon in 1999.

In the 2000s, the Company continued to grow with a targeted acquisition and partnership strategy, and established a presence in Asia. It also stepped up its spending on R&D.

2000 saw the creation of Inergy Automotive Systems, a 50/50 joint venture with Solvay that became the world's largest fuel systems manufacturer.

In **2001**, Laurent Burelle became Chairman and Chief Executive Officer of Compagnie Plastic Omnium.

In **2002**, ∑-Sigmatech, the Company's global research & development center for exterior automotive components, was inaugurated and the 3P Division's pipe fitting business was sold.

2003 saw the acquisition of Beauvais Diffusion, a selective waste collection company in France.

In **2004**, the Company acquired waste container specialist Temaco in France from Groupe Sita and sold Plastic Omnium Medical.

In **2005**, Plastic Omnium and two German automotive equipment manufacturers, Hella and Behr, set up a joint venture named HPBO, the global leader in complex front-end module design, development, assembly and logistics.

In **2006** the Company acquired control of Inoplast, a manufacturer of components and products made with composite materials and thermoplastics for cars and trucks.

In **2007**, The Group celebrated its 60th anniversary with a gathering of 1,000 people in La Défense (Paris). Auto Exterior joint ventures were launched in China, with YanfengVisteon, and in India, with Varroc. Plastic Omnium was the majority partner in the Indian joint venture and went on to buy out Varroc's interest in 2012. Also during the year, the Company acquired German-based Sulo, Europe's second largest waste container group. Lastly, 2007 saw the acquisition of Compagnie Signature, the European leader in road signage and markings, from the Burelle SA parent company, and a launch of a partnership with Eurovia (Vinci) in the same segment.

In **2008** the 3P Division was sold.

In **2010**, the Company bought out Solvay's 50% stake in the Inergy Automotive Systems joint venture.

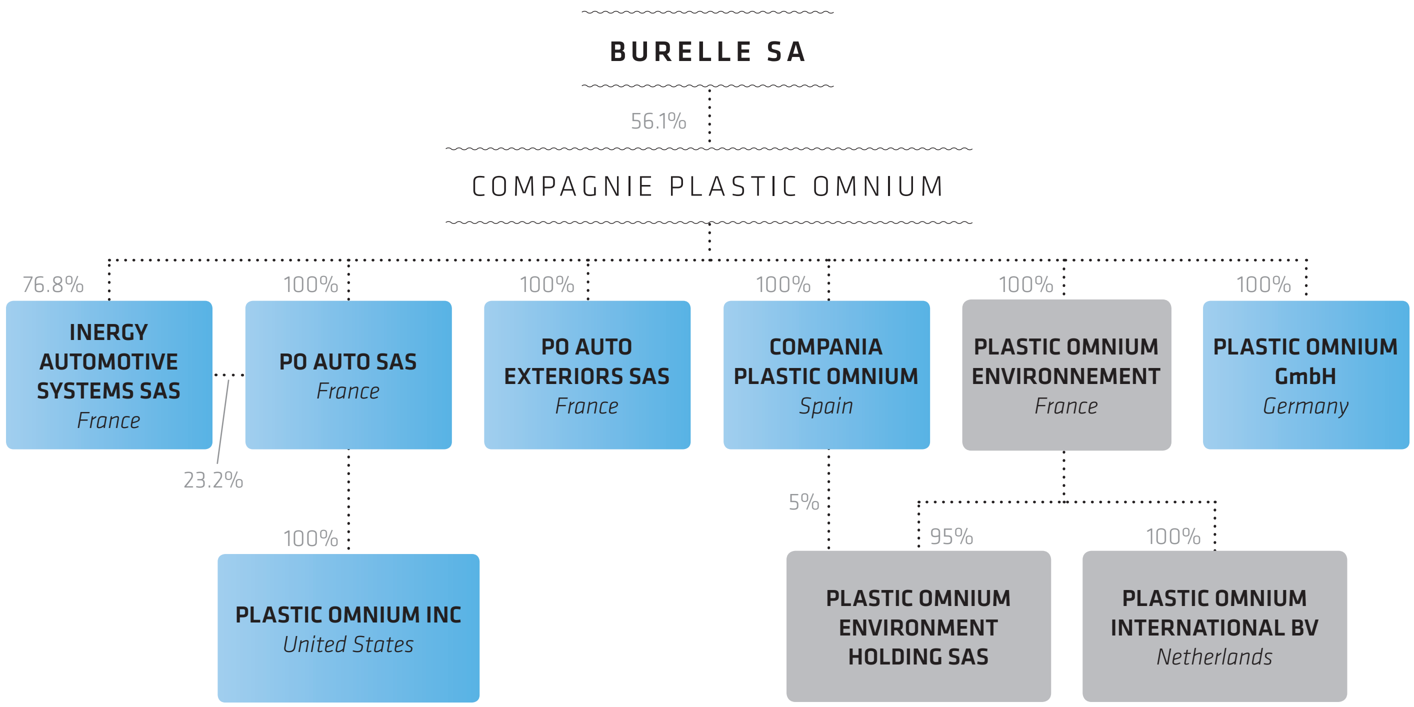
Since 2010, the Company has continued to expand in fast growing regions, through a combination of organic growth and acquisitions.

In **2011**, the Company acquired Ford's fuel system production assets in the United States, and the Polish auto exterior plants of its competitor Plastal.

2012 saw the creation of two majority-owned joint ventures, one in China with BAIC, and the other in Russia with DSK, and the sale of Signature's German and French operations to Eurovia, as well as the unwinding of cross shareholdings.

As of end-2012, Plastic Omnium was present on four continents with 107 plants and around 21,000 employees.

SIMPLIFIED ORGANISATION CHART AT 31 DECEMBER 2012



1.3 ORGANIZATION CHART

Compagnie Plastic Omnium has two core businesses, Automotive and Environment.

The Automotive Division manufactures and sells automotive body components and modules, and automotive fuel systems through its worldwide network of plants. Its customers are exclusively carmakers.

The Environment Division manufactures and sells a complete range of products and services in the waste containerization and urban design segments. Its main clients are either local authorities or waste collection companies.

All Group companies are directly or indirectly wholly owned and controlled by Compagnie Plastic Omnium, with the exception of the following companies, which are owned jointly with partners:

HBPO: owned in equal proportions by Plastic Omnium, Hella and Behr. The world leader in front-end modules, HBPO contributed revenue of €426 million in 2012 (Plastic Omnium's share), through its network of 19 assembly sites.

YFPO: this 49.95%-owned joint venture is China's leading manufacturer of auto exterior components. Its revenue contribution stood at €155 million in 2012 (Plastic Omnium's share). YFPO employs some 1,200 people in its seven plants in China.

1.4 BUSINESS AND STRATEGY

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

The **Automotive** Division, which accounted for 90% of 2012 revenue, holds leadership positions in two business segments.

Plastic Omnium Auto Exterior is ranked number one worldwide in exterior components and modules, produced mainly from injected polypropylene and composite materials. The Division designs and delivers a wide array of parts and modules including bumpers, energy absorption systems, fender and front-end modules, and products made from composite materials, especially tailgates. In 2012, Plastic Omnium Auto Exterior delivered 15 million painted bumpers, representing 10% of the global market. Its two main competitors are Canadian group Magna, which has an 8% share of the market, and French group Faurecia, which has 4%. 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 manufacturer of blow-molded polyethylene fuel systems. Producing nearly 17 million systems in 2012, it had a 21% share of the global market. Its two main competitors are US group Kautex, a Textron subsidiary, and TI, which have market shares of 15% and 8% respectively. Metal fuel tanks still account for 30% of the global market, offering substantial growth potential for the replacement of metal with plastic, particularly for safety and weight reasons. A fuel system is an integrated, multi-functional safety module that includes the car's filler, storage, ventilation, engine supply and fuel level gauge systems.

The two businesses are present across four continents through a network of 94 local plants. Just-in-time deliveries, the large size of components and – in the case of bumpers painted the same color as the bodywork – their fragility, means production must take place close to the carmakers' plants. However, as they do not use the same production techniques or raw materials, each business has to have its own plants.

Plastic Omnium's Automotive Division employed 18,320 people in 2012 and supplied nearly all of the world's carmakers.

The **Environment** Division accounts for 10% of consolidated revenue and employs 2,570 people.

With 13 plants in Europe (France, Germany, Switzerland, the United Kingdom, and Spain) and two R&D centers (France and Germany), Plastic Omnium Environment is the world leader in waste containerization, through its three main businesses:

- Containers: production and sale of household waste receptacles, containers, composters, and underground and semi-underground containers.
- Associated services, from maintenance and cleaning to incentive-based invoicing systems to help local authorities to manage waste more cost effectively and efficiently.
- Urban equipment: the Division offers a wide range of urban equipment for communal areas such as waste disposal locations, schoolyards, play areas, parks and train stations. It also has an in-house engineering unit, which has developed "Your City, Your Design", a unique offer that allows municipalities to adapt waste containers and urban furniture to their own design specifications.

Plastic Omnium Environment has a 29% share of the market in Europe. Its main competitors are German groups ESE and Schaefer, which have market shares of 20% and 17% respectively.

The Company has two fundamental strategic objectives: to increase production capacity in fast-growing markets and step up investment in research and development in order to meet market demand for lighter vehicles and reduced polluting emissions and waste.

Both of the Company's core businesses operate in a growing market.

In the Automotive Division's market, production by the world's carmakers is forecast to increase by an average of nearly 5% a year in the next four years. By 2016, global vehicle production is set to reach 95 million units, compared with some 80 million in 2012. Brazil, Russia, India and China (BRIC countries) will account for 70% of these additional 15 million vehicles, as well as representing 40% of global car production by 2016. The first strand of the development strategy is to support this growth with targeted investment in new plants in BRIC countries and acquisitions of local companies. This is causing production centers to be displaced. At the end of 2012, two-thirds of the Company's 94 automotive equipment plants were in America, Asia and Eastern Europe.

For the Environment Division, rising living standards in emerging markets will generate an increase in waste, and consequently a growing demand for waste containerization solutions, a trend that will help to drive expansion in Plastic Omnium's business.

Alongside volume growth in Plastic Omnium's global markets, there will be an increase in the demand for more environmentally friendly products, driven by new regulations especially in established markets in Europe and North America. The second strategic objective is therefore to increase research and development resources to respond to this demand.

1.5 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 2012, a total of €244 million was allocated for research and development, equivalent to 5% of revenue.

More than 1,400 engineers and technicians – 6% of the workforce – are employed worldwide in four R&D centers and 10 development and engineering facilities that provide local support for carmaker projects in their various markets.

The Company manages a portfolio of 2,585 patents, of which 52 were filed in 2012.

In its Automotive businesses, Plastic Omnium focuses its research on solutions that reduce carbon dioxide (CO_2) and nitrogen oxide (NOx) emissions and helps carmakers to build the clean car of tomorrow by activating three main levers:

- Solutions that make vehicles lighter and more aerodynamic.
- Emissions-control systems.
- Support for new hybrid and electric powertrains.

Lighter vehicles play an important role in helping to meet carbon emissions thresholds set by the European Union and governments in various Plastic Omnium host countries. These thresholds call for a weighted average of 130 grams of CO_2 per kilometer for all vehicles sold by a carmaker in one year beginning in 2012 and are backed by financial penalties for manufacturers who fail to comply.

A world leader in the market for exterior parts, in which thermoplastics already generate significant weight savings compared with steel, Plastic Omnium develops products made from composite materials for automotive structural and exterior components. Tailgates and floor modules currently in production weigh 30% less than comparable steel solutions. The use of thermoplastic and composite materials in vehicles is expected to significantly increase in the coming years, increasing from 15% of the total vehicle weight to 20% by 2020. The combination of thermoplastic and composite technologies allows Plastic Omnium to offer the most suitable material for each application, thus contributing to reducing the weight of the vehicle. Using the most appropriate material for each application reduces weight by 110 kg, a saving of between 25% and 30% compared with a conventional steel structure. ∑-Sigmatech, the Company's international R&D center for automotive modules and exterior components created in 2002 near Lyon, was enlarged in 2012 to speed up the development of automotive structural parts made with composite materials. Since 2012, Plastic Omnium Auto Exterior has produced two hybrid tailgates – for the Peugeot 508 SW and the Range Rover Evoque – each made with thermoplastics and thermosetting resins. The revenue generated by these tailgates is set to double in the next four years, reaching €200 million by 2016.

Plastic Omnium Auto Inergy has also stepped up the development of **systems that control and reduce emissions of hydrocarbons, nitrogen oxide, and carbon dioxide**, with its SCR-DINOx and TSBM solutions.

The SCR (Selective Catalytic Reduction) system is designed to reduce diesel engine nitrogen oxide emissions by injecting a urea solution called AdBlue®, which is stored in a separate tank, into exhaust fumes. Vaporized into minute particles, the solution reacts with nitrogen oxide to create nitrogen and water. Developed by INERGY in 2006 and currently in its second generation, DINOx Premium, the SCR system eliminates 95% of a diesel vehicle's NOx emissions and up to 8% of its CO_2 emissions. Optimized in terms of size and performance, the system meets future emissions and fuel consumption standards, including the EURO 6 standard scheduled to take effect in Europe beginning in 2014. In early 2012, a major order was received from Germany's Audi, which has chosen INERGY to supply SCR systems for most of the diesel vehicles it produces, beginning in 2015. The order is for 500,000 SCR systems a year, representing an estimated €500 million over the vehicles' entire life. Orders have also been placed by six other carmakers. In total, the SCR system is expected to generate additional revenue of €250 million in 2016.

Plastic Omnium's weight-saving solutions for **hybrid and electric** vehicles are especially important in that they offset battery weight while optimizing vehicle range. For hybrids, INERGY has developed the INbaffle range of noise reduction systems that attenuate the sloshing caused by the movement of fuel in the tank when the vehicle comes to a halt and the sloshing is no longer covered by the noise of the engine. For future plug-in hybrids, whose batteries can be recharged via a regular electrical outlet, INERGY is developing appropriate fuel storage solutions. For gasoline versions, fuel vapors cannot be treated when the car is operating in all-electric mode or when it is at a standstill. To remedy this situation, INERGY has developed reinforced plastic fuel systems that safely store hydrocarbon vapor until the internal combustion engine is restarted and the vapor is purged. TSBM technology, which 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, is particularly adapted.

In the Environment business, research programs focus on materials. Plastic Omnium Environment has gradually increased the percentage of recycled polyethylene in its production of bins from around 20% in 2007 to 55% in 2012. Last year, Plastic Omnium Environment launched a range of four wheel bins made from 100% recycled polyethylene, which has the same technical characteristics and resistance as products made from petrochemical raw materials.

In 2010, the Division also launched the "Green Made" container, produced from HDPE sugar cane plastic. It is the first plant-based bin that complies with European standards. The bin has already seen commercial success, especially in Brazil where the Rio de Janeiro city authorities ordered 50,000,240-liter bins, with the first deliveries carried out in June 2012, ahead of the Rio+20 United Nations Conference on Sustainable Development.

Plastic Omnium Environment's second research and development objective concerns services, especially **incentive-based invoicing** to help local authorities to optimize waste management costs. This requirement was introduced in France by the Grenelle 2009 Act, which recommends adopting pay-as-you-throw systems with the aim of encouraging recycling and reducing residual waste. Upstream, the containers are equipped with a RFID chip, which allows them to be weighed when they are picked up by the collection truck. The data is recorded using Optisystem, Plastic Omnium's proprietary system, before being sent to the central server. The head of the collection center can monitor rounds in real time, pinpoint anomalies such as broken containers and sorting problems, and compile data to improve operations by adjusting the route or reducing collections for certain areas. By introducing this solution, local authorities can optimize waste management costs and improve the carbon footprint of household waste collection through fewer rounds by collection trucks and smaller volumes of waste. These solutions were developed by Plastic Omnium Environment subsidiary Envicomp, the European market leader for container identification solutions and integrated weighing systems, which has fitted over 8 million containers with chips and manages 5.5 million waste producers in its data base.

1.6 RISK FACTORS

The Company has reviewed the risks that could have a material adverse effect on its business, financial position, or results, and considers that there are no significant risks other than those listed below.

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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, each automobile program is unique (brand, design, launch date, possibility a model not to be renewed, etc.). As a result, 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 continued to diversify its exposure to global automobile production markets. In particular, the share of Western Europe went from 42% in 2011 to 37% in 2012.

The Automotive Division has more than 30 customers in 40 countries, comprising nearly all of the world's major 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 Senior Management. 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 close 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. At risk suppliers are subject to special monitoring and are required to hold buffer stocks.

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.

In 2012, Compagnie Plastic Omnium had no major supplier failures with negative consequences for logistics processes.

Information technology risk

The day-to-day activities of the Company's staff and line units rely on the consistent deployment and smooth operation of IT infrastructure and software.

Aware that the information system has become a strategic component of the Company, Senior Management pays special attention to ensuring the system is upgraded to incorporate new technologies and to guaranteeing the availability, integrity and confidentiality of the data that is transmitted, processed and stored on it.

Convinced that standardizing internal data transmission and access through the implementation of appropriate, efficient and robust solutions, contributes to the Company's efficient and effective operation, the Information Systems department, with the support of Senior Management, has launched several large scale projects, including a complete overhaul of work stations for all employees, deployment of new communications tools and collaborative systems (OPALE project), implementation of a new management and monitoring system for laptops, and a project to strengthen information system access controls (deployed on ERPs in 2012).

In order to ensure that information systems are an effective business support, system security issues are addressed at the outset of strategic projects by performing risk analyses, followed by regular audits or self-assessment exercises.

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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 five management roadmaps: leadership, motivation, competence, the search for excellence and working conditions. A specialized Environmental Safety Committee comprised of several Executive Committee members is overseeing its deployment.

In 2012, 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.

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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.

For this, the Company carried out two notes issues on the market in 2012, with neither subject to any financial covenants.

- The first was a €250-million EuroPP private placement notes issue placed with French institutional investors. The notes are due in December 2018 and pay interest at 3.875%. They are listed on NYSE Euronext Paris.
- The second was a €119-million Schuldschein private placement notes issue placed mainly with foreign investors, with a fixed rate tranche (3.72%) and a variable rate tranche, due in June 2017.

In addition, Compagnie Plastic Omnium and some of its subsidiaries have unsecured confirmed medium-term bank lines of credit that are not subject to any financial covenants. At 31 December 2012, the average maturity of these lines of credit was more than three years. The Company also has programs of receivables sales with an average maturity of more than three years. At 31 December 2012, available medium-term facilities covered the Company's financing needs through 30 June 2016. 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 Chief Operating Officers.

The Company has performed a specific review of its liquidity risk and considers that it is in a position to meet its upcoming debt maturities.

Currency risk

Plastic Omnium's business is organized for the most part around local plants. This build local-sell local policy goes a long way towards shielding the Company from the effect of exchange rate fluctuations, except on the conversion of the foreign subsidiaries' financial statements.

The Company's policy is to minimize the currency risk on transactions involving a future inflow or outflow of funds. Nonetheless, if a transaction does give rise to a currency risk, it is hedged by a forward currency contract. The hedge is set up by the subsidiary concerned with Corporate Treasury, which in turn hedges the position with its banks.

Interest rate risk

Interest rate hedges include swaps and caps. Their purpose is to negate or limit the impact of an increase in variable interest rates on the Company's income statement in order to keep down interest costs on current or future debt.

At 31 December 2012, all variable rate debt in euros was hedged by futures, forward contracts or options over periods ranging from six months to six years.

Raw materials price risk

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

Changes in raw material prices have an impact on 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.

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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 defending the Company's intellectual property interests. Expertise and innovations developed by the Group's research work are, as much as possible and when justified, patented to protect intellectual property rights.

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

A code of conduct was introduced in 2011 to ensure compliance with competition law.

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OTHER RISKS

Customer credit risk

Revenue was spread more evenly among the various carmakers in 2012, as follows:

- German carmakers: 31% of automotive revenue,
- American carmakers: 25% of automotive revenue,
- French carmakers: 22% of automotive revenue,
- Asian carmakers: 15% of automotive revenue,
- Other carmakers: 7% of automotive revenue.

Environment Division revenue comes from contracts with local authorities. Some local authorities continued to pay late, particularly in Spain. However, initiatives to reduce overdue customer receivables have paid off and the default risk is limited given the diversity and nature of the customer base. In particular, the ICO plan allowed €10 million to be collected in 2012 (including €7 million from the city of Madrid).

A Credit Manager is responsible for implementing structured credit and collection procedures within the Divisions. The DSO ratio was 51 days in 2012. Receivables over six months past due amounted to €12 million net of provisions. 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 Group's complex and international structure means comprehensive monitoring is needed to keep track of tax requirements, and issues and risks. As a result, the Corporate Tax Affairs Department works very closely with other units, in particular the Accounting, Legal Affairs and Finance Departments. Comprising three units in charge of tax affairs at entity, division and corporate level, it is supported by a network of tax experts at headquarters and in the main countries as well as by corporate and local advisors. The Department ensures that the different companies fulfill their tax obligations in compliance with local laws and regulations and provides them with the support and expertise they need to carry out all recurring and non-recurring operations in which tax advice is necessary.

A regular tax reporting system allows current and deferred taxes from all of the tax entities controlled by the Company to be monitored and managed, and helps to ensure that the consolidated financial statements are prepared quickly and are of a high quality. A transfer pricing documentation system ensures that transfer prices within the Company are effectively monitored and managed, and contributes to improving the quality of fiscal management and reducing potential risks in this field. These two information systems and management processes are supplemented by other country-specific tools that provide necessary information to users.

This set of resources and capabilities enables the Corporate Tax Affairs department to provide assurance to Senior Management that all tax obligations, issues and risks inherent in the complex international structure of the expanding business are closely monitored.

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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.

02

CORPORATE GOVERNANCE

Corporate governance and ethics

Plastic Omnium continues to apply the rules drawn up by AFEP and MEDEF and refers to the AFEP-MEDEF corporate governance code for listed companies.

The organization and procedures of the Board of Directors are described in the Board's internal rules and in Compagnie Plastic Omnium's bylaws.

The internal rules were updated on 17 December 2010 to include the provisions of Government order 2008-1278 dated 8 December 2008 concerning the audit of the accounts.

They describe the directors' fundamental obligation to act in the Company's best interests, to exercise independent judgment and to act professionally, to avoid any conflict of interest and to devote sufficient time to the business of the Board, as well as their other obligations. It reflects Plastic Omnium's commitment to complying with the regulations applicable to trading in the Company's shares by directors, by setting out the insider trading rules and the obligation for directors, Senior Management and members of their direct families to disclose all of their transactions in the Company's shares.

In the area of governance, the Board of Directors has continued the practice of performing self-assessments to identify areas for improvement and evaluate the quality of its work.

2.1 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

This report has been prepared in accordance with Article L.225-37 of the French Commercial Code to report to shareholders 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 2012 and (ii) the internal control procedures in place within the Company.

The report was drafted by the Company's Corporate Secretariat Department. It was presented by the Chairman and Chief Executive Officer to the Board of Directors, which approved it on 26 February 2013.

2.1.1 MEMBERSHIP OF THE BOARD OF DIRECTORS AND DIRECTORS' INDEPENDENCE

Membership of the Board of Directors

In accordance with article 11 of the bylaws and article L.225-17 of France's Commercial Code, the Board of Directors of Compagnie Plastic Omnium has between 3 and 18 members.

Directors are elected for a three-year term ending at the close of the Annual Shareholders Meeting held in the year in which their term expires.

As of 31 December 2012, the Board of Directors had twelve members, the Chairman and Chief Executive Officer, the Honorary Chairman, two Chief Operating Officers and eight other directors.

Directors at 31 December 2012

	First elected	Current term began	Current term ends
Laurent BURELLE (63) *Chairman and Chief Executive Officer*	18 June 1981	26 April 2012	2015
Jean BURELLE (73) *Honorary Chairman*	1 January 1970	26 April 2012	2015
BURELLE SA represented by Eliane LEMARIÉ (67)	28 April 2009	26 April 2012	2015
Paul Henry LEMARIÉ (65) *Chief Operating Officer*	26 June 1987	26 April 2012	2015
Jean-Michel SZCZERBA (52) *Chief Operating Officer*	26 April 2012	/	2015
Mme Anne ASENSIO* (50)	28 April 2011	/	2014
Anne-Marie COUDERC* (62)	20 July 2010	26 April 2012	2015
Jean-Pierre ERGAS* (73)	26 July 1990	26 April 2012	2015
Jérôme GALLOT* (53)	15 December 2006	26 April 2012	2015
Bernd GOTTSCHALK* (69)	28 April 2009	26 April 2012	2015
Vincent LABRUYÈRE* (62)	16 May 2002	28 April 2012	2014
Alain MERIEUX* (74)	23 June 1993	26 April 2012	2015

* Independent directors.

The members of the Board have complementary first-rate skills and experience in management, manufacturing industry and finance. All of them have a good understanding of the Company, its businesses and its environment.

Resignation of a director (Thierry de La Tour d'Artaise)

At its meeting of 16 October 2012, the Board was informed that Thierry de La Tour d'Artaise had stepped down from the Board for personal reasons. He had been a director of Compagnie Plastic Omnium since 2004.

Election of a director (Amélie Oudéa-Castéra)

At its meeting on 26 February 2013, the Board of Directors decided to recommend at the Annual Shareholders Meeting on 25 April 2013 the election of a new director, Amélie Oudéa-Castéra for a three-year term. She would join the Board on 1 January 2014 as an independent director.

Following this election, the Board of Directors would have 13 members, eight of whom (61%) would be independent directors.

Board membership in compliance with the gender parity rules set out in the Act of 27 January 2011

As of 31 December 2012, the Board of Directors comprised three women, or 25% of the total. The election of Ms. Oudéa-Castéra would raise the proportion to 30%.

The Board is therefore already in compliance with the Act of 27 January 2011 (no. 2011-103) which stipulates that women should make up at least 20% of the members of company boards by 2014.

Directorships and other positions held by serving directors as of 31 December 2012

Laurent Burelle, born 6 October 1949, French nationality

Laurent Burelle is a graduate of the Zurich Ecole Polytechnique Fédérale (ETH) and holds a Master of Science in Chemical Engineering from Massachusetts Institute of Technology (MIT)

He began his career with Plastic Omnium as a production engineer and assistant to the Director of the Langres plant (France). In 1977, he was appointed Chief Executive Officer of Plastic Omnium SA in Valencia (Spain), going on to become Chairman and Chief Executive Officer. From 1981 to 1988, he served as President of the Environment-Urban Systems Division before becoming Vice Chairman and Chief Executive Officer of Compagnie Plastic Omnium in 1988. He has been Chairman and Chief Executive Officer of Compagnie Plastic Omnium since July 2011.

He is also a director of Fondation Jacques Chirac pour l'Enfance Handicapée and of Pernod-Ricard, Lyonnaise de Banque – CIC and Labruyère-Eberlé.

Mr Burelle is an Officier de la Légion d'Honneur and Chevalier de l'Ordre National du Mérite.

Directorships and other positions within the Company/ Number of shares held	**Directorships and other positions held in other companies in 2012**
Chairman and Chief Executive Officer since 1 July 2001 and Director since 18 June 1981 His positions and term as director will expire at the Annual Shareholders Meeting to be held in 2015 to approve the financial statements for the year ending 31 December 2014. **Number of Compagnie Plastic Omnium shares held 1,000**	Legal Manager of Plastic Omnium GmbH** (*Germany*) Chairman and Chief Executive Officer of Compania Plastic Omnium SA** (*Spain*) Chairman of Plastic Omnium, Inc.** and Plastic Omnium Automotive Services, Inc.** (*United States*), Director of Inergy Automotive Systems LLC** (*United States*) Chief Operating Officer and Director of Burelle SA* and Sogec 2 SA (*France*) Director of Burelle Participations SA (*France*) Chairman and member of the Supervisory Committee of Sofiparc SAS and Plastic Omnium Environnement SAS** (*France*) Chairman of Plastic Omnium Auto SAS**, Plastic Omnium Auto Exteriors SAS**, Inergy Automotive Systems SAS** Director of Lyonnaise de Banque SA and Pernod Ricard SA* (*France*) Chairman, Compagnie Financière de la Cascade SAS (*France*) Member of the Supervisory Board of Labruyère Eberlé SAS (*France*) Director of Plastic Omnium Ltd** (*United Kingdom*) Chairman of Plastic Omnium International BV** (*Netherlands*) Director of Signal AG** (*Switzerland*)

* Listed company.

** Member of the Compagnie Plastic Omnium Group.

Jean Burelle, born 29 January 1939, French nationality

Jean Burelle is a graduate of the Zurich Ecole Polytechnique Fédérale (ETH) and holds an MBA from Harvard Business School.

He began his career in 1966 with L'Oréal, before joining Compagnie Plastic Omnium in 1967 as Department Manager. In 1987, he was appointed Chairman and Chief Executive Officer, a position he held until 2001. Since then he has been Chairman and Chief Executive Officer of Burelle SA, the majority shareholder of Compagnie Plastic Omnium.

Jean Burelle is a director of Compagnie Plastic Omnium and a director and member of the Appointments and Compensation Committee of Rémy Cointreau. He is Chairman of Medef International.

Mr Burelle is a Chevalier de la Légion d'Honneur and Officier de l'Ordre National du Mérite.

Directorships and other positions within the Company/ Number of shares held	**Directorships and other positions held in other companies in 2012**
Director since 1 July 1970 and Honorary Chairman since 20 September 2001 His term will expire at the Annual Shareholders Meeting to be held in 2015 to approve the financial statements for the year ending 31 December 2014. **Number of Compagnie Plastic Omnium shares held 131,126**	Chairman and Chief Executive Officer of Burelle SA*, Burelle Participations SA and Sogec 2 SA (*France*) Director of Compania Plastic Omnium SA** (*Spain*) Member of the Supervisory Committee of Sofiparc SAS (*France*) Permanent representative of Burelle Participations SA on the Board of Sycovest 1 (*France*) Director and Member of the Appointments and Compensation Committee of Rémy Cointreau SA* (*France*) Member of the Supervisory Committee of Soparexo SCA and Banque Jean-Philippe Hottinger SCA (*France*) Chairman of Medef International (*France*) Director of Signal AG** (*Switzerland*)

* Listed company.

** Member of the Compagnie Plastic Omnium Group.

Eliane Lemarié, born 18 August 1945, French nationality

After earning a masters' degree in English from Université Paris-Sorbonne and graduating form Institut d'Etudes Politiques de Paris, Eliane Lemarié spent her career in the corporate information and communication sector.

She began her career as a journalist and copy editor with the written press, in connection with the l'Assemblée Permanente des Chambres de Commerce et de l'Industrie (APCCI), from 1969 to 1975.

In 1976, she was hired by Sogec to set up and develop a Public Relations, Media Relations and Publishing Department, a position she held until 1983.

In April 1983, she set up Irma Communication, a corporate communications consultancy with a client list comprising French and international companies listed on the Paris, New York and Mumbai stock exchanges, serving as Chairman and Chief Executive Officer until 2010.

Directorships and other positions within the Company/ Number of shares held	**Directorships and other positions held in other companies in 2012**
Permanent representative of Burelle SA on the Board of Compagnie Plastic Omnium since 28 April 2009 Her term will expire at the Annual Shareholders Meeting to be held in 2015 to approve the financial statements for the year ending 31 December 2014. **Number of Compagnie Plastic Omnium shares held 182,832**	Director of Burelle SA* (*France*) Member of the Supervisory Committee of Sofiparc SAS (*France*) Chief Operating Officer of Sogec 2 SA (*France*) Chairman of the Supervisory Board of Union Industrielle SA (*France*)

* Listed company.

Paul Henry Lemarié, born 1 January 1947, French nationality

Paul Henry Lemarié holds a Doctorate in Physics from Université de Paris Orsay and a DEA post-graduate degree in Management and Finance from Université Paris Dauphine.

After presenting a physics thesis to the CEA and begun his career in the Finance Department of Paribas in 1973, Paul Henry Lemarié joined the Sofresid engineering group (steel, mining, offshore) before moving the Plastic Omnium in 1980 as President of the 3P – Performance Plastics Products Division. In 1985, he became President of the Automotive Division. In 1987, he was appointed Chief Executive Officer of Compagnie Plastic Omnium and Burelle SA.

Directorships and other positions within the Company/ Number of shares held	**Directorships and other positions held in other companies in 2012**
Chief Operating Officer since 11 September 2002 and Director since 26 June 1987 His position and term as director will expire at the Annual Shareholders Meeting to be held in 2015 to approve the financial statement for the year ended 31 December 2014. **Number of Compagnie Plastic Omnium shares held 300**	Member of the Beirat of Plastic Omnium GmbH** (*Germany*) Director of Compania Plastic Omnium SA** (*Spain*) Director of Inergy Automotive Systems Holding, Inc. and Inergy Automotive Systems LLC** (*United States*) Chief Operating Officer and Director of Burelle SA* and Burelle Participations SA (*France*) Member of the Supervisory Committee of Sofiparc SAS and Plastic Omnium Environnement SAS** (*France*)

* Listed company.

** Member of the Compagnie Plastic Omnium Group.

Jean-Michel Szczerba, born 18 April 1960, French nationality

After graduating from ESSEC business school in 1982, Jean-Michel Szczerba joined Banque Vernes Commerciale de Paris as a financial analyst. He moved to Plastic Omnium in 1985, where he was successively Financial Controller, Finance Department Manager and Chief Financial Office, before becoming deputy Chief Executive Officer in 2001. He was appointed Chief Operating Officer of Compagnie Plastic Omnium in 2010 and joined the Board in 2012.

Jean-Michel Szczerba is a Chevalier de la Légion d'Honneur and Chevalier de l'Ordre National du Mérite.

Directorships and other positions within the Company/ Number of shares held	Directorships and other positions held in other companies in 2012
Chief Operating Officer since 16 March 2010 and Director since 26 April 2012 His position and term as director will expire at the Annual Shareholders Meeting to be held in 2015 to approve the financial statement for the year ended 31 December 2014. **Number of Compagnie Plastic Omnium shares held 300**	Director of Hella Behr Plastic Omnium GmbH** (*Germany*) Chairman and Director of Plastic Omnium Automotive NV** (*Belgium*) Alternate Director of Plastic Omnium SA** (*Chile*) Director of Yanfeng Plastic Omnium Automotive Exterior Systems Co Ltd**, Plastic Omnium Holding (*Shanghai*) Co Ltd** and Chairman of Plastic Omnium China Co Ltd** (*China*) Director of Inergy Automotive Systems Holding, Inc.**, Inergy Automotive Systems LLC**, Plastic Omnium Automotive Services, Inc.**, Plastic Omnium Inc.** and Plastic Omnium Auto Exteriors LLC**, Chairman and Director of Plastic Omnium Industries Inc.** – Treasurer and Director of Plastic Omnium Inc** (*United States*) Director of Burelle Participations SA, Plastic Omnium Auto Exterieur SA** and Signalisation France SA** (*France*) Legal Manager of Plastic Omnium Finance SNC** and Plastic Omnium Gestion SNC** (*France*) Chairman of Plastic Omnium International SAS**, Plastic Omnium Management 1 SAS**, Plastic Omnium Management 2 SAS**, Transit SAS**, Plastic Omnium Environnement Holding SAS** and Plastic Omnium Vernon SAS** (*France*) Chief Executive Officer and member of the Supervisory Committee of Plastic Omnium Environnement SAS** (*France*) Chairman and member of the Supervisory Committee of Plastic Omnium Auto Exterieur Services SAS** (*France*) Member of the Supervisory Committee of Plastic Omnium Auto Exteriors Industries SAS** and Inergy Automotive Systems Industries SAS** (*France*) Until 21 March 2012, member of the Board of Directors of Euromark Holding SAS and Plastic Omnium Signalisation SAS** (*France*) Director of Plastic Omnium Ltd** and Plastic Omnium Automotive Ltd** (*United Kingdom*) Director of Plastic Omnium Auto Exteriors (*India*) Pvt Ltd** (*India*) Co-Manager of Createc de Mexico Srl de CV** (*Mexico*) Director of DSK Plastic Omnium BV** (*Netherlands*) Legal Manager of Plastic Omnium Auto Exteriors Spzoo** and Plastic Omnium Auto Spzoo** (*Poland*) Director of B-Plas Plastic Omnium Otomotiv AS** (*Turkey*) Chairman of DSK Plastic Omnium Inergy LLC** (*Russia*)

** Member of the Compagnie Plastic Omnium Group.

Anne Asensio, born 13 July 1962, French nationality

Holder of a masters' degree in automotive design from the Center for Creative Studies in Detroit and technical sciences in industrial design degree and bachelor of arts degree from the Ecole Nationale Supérieure des Arts Appliqués et Métiers d'Art in Paris, Anne Asensio joined Dassault Systèmes in November 2007 as Vice President for Design Experience, with a mission to implement innovative design solutions for enterprises, as well as defining Dassault Systèmes' identity.

Before joining Dassault Systèmes, she began her career with Renault in 1987, where she was a member of the design team for the Twingo, Clio and Mégane (Scenic) ranges.

She then held several management positions with General Motors, leading the development of a number of concept cars.

Ms. Asensio is Chevalier de la Légion d'Honneur.

Directorships and other positions within the Company/ Number of shares held	**Directorships and other positions held in other companies in 2012**
Director since 28 April 2011 Her term will expire at the Annual Shareholders Meeting to be held in 2014 to approve the financial statements for the year ending 31 December 2013. **Number of Compagnie Plastic Omnium shares held 300**	Vice President for Design Experience, Dassault Systèmes* (*France*) Director of Agence de la Promotion de la Création Industrielle, Web Scholl Factory, Strate College (*France*).

* Listed company.

Anne-Marie Couderc, born 13 February 1950, French nationality

After beginning her career in 1973 as an attorney in Paris, Anne-Marie Couderc joined Hachette in 1982 as deputy Corporate Secretary, becoming deputy Chief Executive Officer in 1993.

A Paris city councilor then deputy Mayor, member of Parliament for Paris, in 1995 she was appointed Secretary of State for Employment and then Minister attached to the Ministry for Labor and Social Affairs with responsibility for Employment, a position she held until 1997.

At the end of 1997, she as appointed Chief Executive Officer and member of the Editorial Committee of Hachette Filipacchi Medias and director of several publications.

In 2007, she became Corporate Secretary of Lagardère Active before joining Presstalis in August 2010 as Chief Executive Officer of Presstalis, subsequently becoming Chairman of the Board of Directors.

Ms. Couderc is Officier de la Légion d'Honneur and Officier de l'Ordre National du Mérite.

Directorships and other positions within the Company/ Number of shares held	**Directorships and other positions held in other companies in 2012**
Director since 20 July 2010 Her term will expire at the Annual Shareholders Meeting to be held in 2015 to approve the financial statements for the year ending 31 December 2014. **Number of Compagnie Plastic Omnium shares held 300**	Chairman of the Board of Directors of Presstalis SAS and SAD SA (*France*) Representative of Presstalis as Chairman of APD SAS, CCEI SAS, NMCP SAS, OCYTO SAS and Legal Manager of SPPS SNC (*France*) Director and Vice President, Treasurer of Cefodip Association (*France*) Representative of CCEI SA as Chairman of ARDP SAS (*France*) Permanent representative of Presstalis on the Board of Directors of Presse Diffusion SA Monaco (*France*) Director of Veolia Transdev, Mediakiosk SAS, Via Presse SA, SEC SA Monaco and Fondation Veolia Environnement (*France*) Chairman of SALP SA (*Tunisia*), permanent representative of SALP SA on the Board of Directors of Sotupresse SA (*Tunisia*), Chairman of Sochepress SA and Sotadec SA (*Morocco*)

Jean-Pierre Ergas, born 9 July 1939, French nationality

Jean-Pierre Ergas, born 9 July 1939, has dual French and American nationality and has lived in Chicago since 1989.

A graduate of Institut d'Etudes Politiques de Paris and holder of an MBA from Harvard University, over the past thirty years he has served as Chief Executive Officer of various European and American metallurgy and packaging groups.

Chief Executive Officer of Cebal and then of Cégédur Pechiney, and Chairman of the Chambre Syndicale de l'Aluminium, he was appointed deputy Chief Executive Officer of the Pechiney Group in 1986. He was Chairman and Chief Executive Officer of American National Can in the United States from 1990 to 1995 and Chairman and Chief Executive Officer Europe of the Alcan Group from 1995 and 2000. In 2000, he became Chief Executive Officer of BWAY Corporation (a company listed on the New York Stock Exchange), a company he sold in 2010.

He is a director of Dover Corporation (listed on the New York Stock Exchange) and Managing Partner of Ergas Ventures LLP and Sagre LP.

Mr Ergas is a Chevalier de la Légion d'Honneur.

Directorships and other positions within the Company/ Number of shares held	Directorships and other positions held in other companies in 2012
Director since 26 July 1990 and member of the Audit Committee since 27 November 1996 His term will expire at the Annual Shareholders Meeting to be held in 2015 to approve the financial statements for the year ending 31 December 2014. **Number of Compagnie Plastic Omnium shares held 3,600**	Director of FIBI-Applix SA (*France*) Director of Dover Corporation, Sagre Group LP and Ergas Ventures LLP (*United States*)

Jérôme Gallot, born 25 October 1959, French nationality

Jérôme Gallot began his career with the Cour des Comptes (national audit office) in 1985 before moving to the Ministry of Finance where he was Director General in charge of Competition, Consumer Affairs and Prevention of Fraud from 1997 to 2003. He then joined Caisse des Dépôts et Consignations (CDC) as Executive Committee member responsible for Pensions and Employee Benefits Financing and International Operations, before becoming Executive Chairman of CDC Entreprises, CDC's private equity arm, and a member of the Executive Committee of Fonds stratégique d'Investissement when the fund was set up. In early 2011, he was appointed Chief Executive Officer of Veolia Transdev, where he has served as Advisor to the Chairman and Chief Executive Officer since January 2013. He is also a director of Nexans and Caixa Seguros, and a non-voting director of the NRJ Group.

Directorships and other positions within the Company/ Number of shares held	Directorships and other positions held in other companies in 2012
Director since 15 December 2006 and Chairman of the Audit Committee since 19 July 2011 His term will expire at the Annual Shareholders Meeting to be held in 2015 to approve the financial statements for the year ending 31 December 2014. **Number of Compagnie Plastic Omnium shares held 1,800**	Advisor to the Chairman and Chief Executive Officer of Veolia Transdev (*France*) since December 2012 Chief Executive Officer of Veolia Transdev until December 2012 Member of the Executive Committee of the Caisse des Dépôts et Consignations Group (*France*) Director of Nexans SA* (*France*) Non-voting Director of NRJ (*France*) Chairman of the Appointments and Compensation Committee of NRJ Groupe SA* (*France*) Member of the Supervisory Board of Schneider Electric SA* (*France*) until May 2012 Director of Caixa Seguros SA (*Brazil*)

* Listed company.

Bernd Gottschalk, born 10 June 1943, German nationality

Bernd Gottschalk holds a doctorate in economics from Hamburg University and a degree from Stanford University in California. He began his career with the Daimler-Benz Group as Communications Director before becoming Chairman of the Brazilian subsidiary. In 1992, he was appointed member of the Daimler Benz Board of Management and Global Vice President of the Commercial Vehicles Division. In 1997, he was named Chairman of the German Automobile Industry Federation (VDA). He is currently Managing Partner of the AutoValue GmbH automobile industry consultancy that he founded in 2007.

Directorships and other positions within the Company/ Number of shares held	Directorships and other positions held in other companies in 2012
Director since 28 April 2009 His term will expire at the Annual Shareholders Meeting to be held in 2015 to approve the financial statements for the year ending 31 December 2014. **Number of Compagnie Plastic Omnium shares held 300**	Member of the Beirat of Plastic Omnium GmbH** and Serafin Group (*Germany*) Managing Partner of Auto Value GmbH (*Germany*) Director of Schaeffler GmbH, Jost Groupe, Voith AG (*Germany*) Chairman of the Board of Directors of Johann Hay GmbH & Co KG and Facton GmbH (*Germany*) Chairman of the Board of Directors of Woco Group (*Germany*) Director of Roche Deutschland Holding GmbH, Roche Diagnostics GmbH (*Switzerland*)

** Member of the Compagnie Plastic Omnium Group.

Vincent Labruyère, born 3 June 1950, French nationality

Vincent Labruyère was born on 3 June 1950 in Mâcon (France).

An engineering graduate of Zurich's Ecole Polytechnique Fédérale, he began his career in 1976 with Ets Bergeaud Mâcon, a subsidiary of US-based Rexnord, Inc., a manufacturer of materials preparation equipment.

In 1981, he took over the management of Imprimerie Perroux, a printer of checks and bank forms that he diversified in 1985 by creating DCP Technologies, a credit card production and encryption subsidiary.

In 1989, he founded the SPEOS Group, specialized in the production and electronic archiving of management documents and the production of payment media, which he sold to the Belgian Post Office in 2001.

He then joined Labruyère Eberlé as Chief Executive Officer and then Chairman of the Management Board. Labruyère Eberlé is a family-owned wine producer with vineyards in France and the United States that also operates a chain of supermarkets and invests in private equity in France and abroad.

He is a director of Banque Martin Maurel, Slota, Mathon Développement and Imprimerie Perroux.

Directorships and other positions within the Company/ Number of shares held	Directorships and other positions held in other companies in 2012
Director since 16 May 2002 and member of the Audit Committee since May 2002 His term will expire at the Annual Shareholders Meeting to be held in 2014 to approve the financial statements for the year ending 31 December 2013. Number of Compagnie Plastic Omnium shares held 2,844	Chairman of Société Financière du Centre SAS (*France*) Chairman of the Management Board of Labruyère Eberlé SAS (*France*) Member of the Management Board of Société Commerciale de Bioux SAS (*France*) Director of X Perroux et Fils, Martin Maurel and Slota SA (*France*) Member of the Supervisory Board of SNPI SCA (*France*) Permanent representative of Labruyère Eberlé on the Board of Pige SA (*France*) Member of the Management Committee of Grands Magasins Labruyère SAS (*France*) until 12 September 2012

Alain Mérieux, born 10 July 1938, French nationality

Alain Mérieux is Chairman of Institut Mérieux, a family-owned holding company for three industrial biology companies committed to serving medicine and public health across the globe, bioMérieux (*in vitro* diagnostic solutions), Transgène (therapeutic vaccines and immunotherapy products to treat cancers and infectious diseases) and Mérieux NutriSciences (food safety, research and development on nutrition and quality of the environment). Institut Mérieux also comprises ABL, a research company, Mérieux Développement, a company set up to invest in the health care sector, and IMAccess, a not-for-profit company dedicated to making reliable diagnostic tools available at affordable prices in developing countries. Institut Mérieux currently has over 12,000 employees working in over 40 countries.

Alain Mérieux is Chairman of Fondation Mérieux, a registered independent family foundation, and Honorary Chairman and Director of Fondation Christophe et Rodolphe Mérieux which operates under the aegis of the Institut de France. These two foundations are dedicated to helping combat infectious diseases in developing countries.

Alain Mérieux is also Chairman of the Fondation pour l'Université de Lyon and the Institut de Recherche Technologique en Infectiologie, BIOASTER.

He is Commandeur de l'Ordre national du Mérite et Commandeur de la Légion d'Honneur.

Directorships and other positions within the Company/ Number of shares held	Directorships and other positions held in other companies in 2012
Director since 23 June 1993 His term will expire at the Annual Shareholders Meeting to be held in 2014 to approve the financial statements for the year ending 31 December 2013. **Number of Compagnie Plastic Omnium shares held 2,106**	Chairman and Chief Executive Officer of Institut Mérieux (*France*) Chairman of the Board of Directors and Director of Fondation Mérieux (*France*) Honorary Chairman and Director of Fondation Christophe et Rodolphe Mérieux – Institut de France Chairman of the Lyon Veterinary School (*France*) Chairman of Institut de Recherche Technologique Bioaster, Fondation pour l'Université de Lyon (*France*) Director of bioMérieux SA*, Fondation Pierre Fabre, Fondation Pierre Verots, Transgène SA, CIC Lyonnaise de Banque (*France*) He was a Director of Synergie Lyon Cancer until March 2012 and a Director of Fondation Centaure and Fondation Edmus until November 2012 (*France*) Director of bioMérieux Italia SpA (*Italy*) Director of Mérieux Nutri Sciences (*United States*)

* Listed company.

Information about directors who were not re-elected or who stepped down from the Board in 2012

Francis Gavois, born 10 July 1935, French nationality

Directorships and other positions within the Company/ Number of shares held	Directorships and other positions held in other companies in 2012
Director from May 1998 until 26 April 2012	Director of Consortium de Réalisation (*France*)

Thierry de La Tour d'Artaise, born 27 October 1954, French nationality

Directorships and other positions within the Company/ Number of shares held	Directorships and other positions held in other companies in 2012
Director from December 2004 until 17 October 2012	Chairman and Chief Executive Officer of SEB SA, SEB International (*France*) Permanent representative of Sofinaction on the Board of Lyonnaise de Banque (*France*) Director of Legrand, Club Méditerranée (*France*) Director of Zhejiang Supor (*China*)

Directors' independence

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

The Board of Directors' 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 of 31 December 2012, Compagnie Plastic Omnium's Board had twelve members, five of whom represent the majority shareholder. The seven others meet the independence criteria defined in the Board's internal rules, although two of them (Jean-Pierre Ergas and Alain Mérieux) have been directors of the Company for more than twelve years.

The Board has not adopted this particular criterion 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, participate actively in Board discussions and freely exercise their judgment.

Article 11 of the Company's bylaws stipulates that all directors must hold at least 300 Compagnie Plastic Omnium shares. The Board of Directors' internal rules describe the directors' duty to act in the Company's best interests, to comply with the law and the Company's bylaws, to exercise independent judgment and to raise any issues of concern, to avoid any conflict of interest, to act professionally and to devote sufficient time to the business of the Board.

Conflicts of interest

There are no potential conflicts of interest between the directors and Compagnie Plastic Omnium.

No loans or guarantees have been granted or issued in favor of any member of the Company's administrative, management or supervisory bodies.

Family relationships

Among the Board members, family relationships exist between Laurent Burelle, Jean Burelle, Paul Henry Lemarié and Eliane Lemarié. There are no family relationships with or among the other members of the Board.

No sanctions against the members of the Board of Directors

None of the directors has been the subject of any convictions in relation to fraudulent offences, or associated with any bankruptcies, receiverships of liquidations, as a member of a the administrative, management or supervisory body or a partner of the company concerned, or the subject of any official public incrimination or sanctions. None of the members of the Board of Directors have been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer.

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2.1.2 PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

Role of the Board of Directors

In accordance with the law and the Company's bylaws, the Board of Directors determines the Company's business strategy and oversees its implementation. Except for those matters that may only be decided by the shareholders in General Meeting, the Board examines all issues that concern the way the business is run and makes all related decisions within the limits of the corporate purpose. The Board performs all checks and controls that it considers appropriate.

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.

In addition to the matters that may only be decided by the Board of Directors pursuant to the applicable laws and regulations, the internal rules stipulate that the following decisions must be reviewed and authorized in advance by the Board:

Significant transactions that are likely to affect the Company's strategy or materially change its financial position or business scope, such as:

- Acquisitions, mergers, divestments, equity investments or disposals that are likely to materially change the Company's financial position.
- Aggregate investments.

The Board of Directors may authorize the Chairman and Chief Executive Officer each year to issue all forms of guarantees up to a maximum amount to be specified by the Board.

Activities of the Board in 2012

The Board of Directors met four times in 2012, with an average attendance rate of 92%. Each meeting lasted an average of four hours.

At each meeting, a detailed analysis of the Group's financial results was presented to the Board, which reviewed the 2011 annual financial statements at the meeting on 6 March and the 2012 interim financial statements at the meeting on 17 July.

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

The 14 December meeting was held in Gliwice, Poland, giving the directors the opportunity to visit the Company's Polish plants, meeting local operations staff, and deepen their knowledge of the Company, its businesses and its strategy.

The full Board fulfills the role generally assigned to a selection and appointments committee.

Board of Directors' self-assessment

The Board's internal rules provide for a self-assessment exercise to be carried out each year, 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 procedures and membership of the Audit Committee.

The replies to the 2012 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 directors' appreciation of the quality of the Audit Committee's overall work and its presentations to the Board.

Compensation Committee

Membership

The Compensation Committee is made up of all of the independent directors. Consequently, 100% of the Committee members are independent directors compared with the AFEP-MEDEF recommendation that at least 50% should be independent.

Activities of the Compensation Committee in 2012

On the day of the Board meeting on 6 March 2012, the independent directors met in a closed meeting, without the five directors representing the majority shareholder or the auditors being present, in order to discuss the components of the executive directors' compensation packages, stock option grants and stock option vesting criteria.

The Committee decided that the 2012 stock options granted to executive directors would be subject to two challenging performance criteria based on (i) growth in the Compagnie Plastic Omnium share price over the lock-up period (2012-2016) and (ii) growth in consolidated operating margin over the same period.

Audit Committee

Membership

The Audit Committee is comprised of three independent Directors, Jérôme Gallot (Chairman), Jean-Pierre Ergas and Vincent Labruyère. Consequently, 100% of the Committee members are independent directors compared with the AFEP-MEDEF recommendation that at least two-thirds should be independent. Chairmanship of the Committee rotates every three years.

Role

The Audit Committee assists the Board of Directors in ensuring that the accounting policies used are appropriate and are applied properly and consistently from one period to the next.

Its main roles and responsibilities are to:

- Review the annual and interim financial statements presented by the Chairman of the Board of Directors and audited or reviewed by the Auditors, hear the Auditors' comments and examine certain items in detail before submitting the financial statements to the Board of Directors.
- Oversee the process for the preparation of financial information, examine the accounting principles and policies applied in the preparation of the financial statements and resolve any accounting treatments that do not comply with accounting rules.
- Express an opinion on the Chairman and Chief Executive Officer's choice of candidates for appointment or re-appointment as Auditors.

- Review the findings and recommendations of the Auditors, and monitor their implementation.
- Ensure that Auditor independence rules are complied with and that the Auditors 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 where 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 statements.

Activities of the Audit Committee in 2012

The Audit Committee met three times in 2012, to review the 2011 annual financial statements, the 2012 interim financial statements and the effectiveness of the internal control and risk management procedures. The three 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 Auditors. The Committee reported to the Board on its work during the year.

Executive directors' compensation

The principles and rules applied by the Board to determine the compensation and benefits of executive directors are presented on page 32 of the financial report.

Additional information

– This report will be presented at the Annual Shareholders Meeting to be held on 25 April 2013. 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 (page 179).

– The AFEP-MEDEF Corporate Governance Code for Listed Companies is available for consultation at the Company's administrative headquarters and can also be viewed on Plastic Omnium's website at www.plasticomnium.com.

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2.1.3 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

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 supporting the Internal Control Reference Framework published by the Autorité des Marchés Financiers (AMF).

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.

Summary description of the internal control and risk management system

Organization

The Plastic Omnium Group is organized around 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 Company's internal control and risk management system is underpinned by (i) the rules and principles set out in its Internal Control Framework, and (ii) processes aimed at continuously improving the management of the main risks to which the Company 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 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 Senior Management team defines 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. The Executive Committee 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 Company'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 Company'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 that 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, 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 practices governed by competition law, which has been circulated throughout the organization 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. Senior Management, members of the Executive Committee, Divisional 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.

- **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)
- Inventory and supply chain
- Automobile projects
- Accounting and tax
- Production and Quality
- Real estate
- Information systems
- Health, safety and environment

The Internal Control Rules, which cover both routine and non-recurring business operations, constitute a single global reference point aimed at ensuring that 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 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. 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 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 their business area and implementing reasonable measures to control such risks.

The **Corporate Departments** – i.e. Human Resources and 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 Company 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, laws 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 Corporate Risk Management Department and reports to Senior Management. The Internal Audit Department also reports regularly to the Internal Control Committee, which is responsible for overseeing internal control procedures. The Internal Audit Department carries out analyses of the overall internal control system and ensures that the procedures are properly implemented.

It performs audits in all of the subsidiaries including those that are not controlled by the Company. 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 2012 revealed any serious weaknesses in the internal control and risk management system.

The Internal Audit Department also oversees the annual internal control **self-assessment exercises** conducted since 2006 using a questionnaire 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 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 2012, 87% of the eligible facilities that were at least 50%-owned had respectively earned ISO 14001 certification and 83% were OHSAS 18001-certified.

Information and communication

Employees can access internal control rules and procedures via the home page of the Company'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 Company'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 include the Executive Vice President, Human Resources, the Chief Financial Officer, members of the Executive Committees representing the two Divisions, 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 internal control and risk management processes in each of the Company'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.

Internal controls relating to the preparation of financial and accounting information

Principles applicable for the preparation of financial information

The Finance Department is responsible for ensuring that the Company'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 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 Company. The Divisions have also developed integrated management systems, based on commercial software recommended by the Company. 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.

Consolidated financial information is prepared for the following key processes:

- Weekly cash reporting.
- Monthly reporting.
- Interim and annual consolidated reporting.
- Annual budget.

These 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 Company'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 "Company bank", is responsible for managing the financing of all of the subsidiaries that the Company 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 intra-group receivables and payables are netted monthly.

In general, subsidiaries 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 Division President to the Group Chairman and Chief Executive Officer.

Plastic Omnium Finance is also responsible for centralizing all currency and interest rate hedging transactions.

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.

No material incidents and significant changes occurred during 2012 that could have compromised the effectiveness of the internal control system described above.

2013 action plan

As part of the commitment to continuously improve the internal control system, Compagnie Plastic Omnium intends to upgrade a number of procedures in 2013, 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.

The Internal Audit Department will conduct 36 audits in 2013, compared with 34 in 2012 and 21 in 2011.

To improve the internal control and risk management system, the Company will continue to apply the procedure for tracking progress on implementing recommendations issued by internal auditors.

2.2 EXECUTIVE DIRECTORS' COMPENSATION

In accordance with article L.225-102.1 of the French Commercial Code and the AFEP-MEDEF recommendations, the total compensation and benefits in kind paid to each of Plastic Omnium's executive directors in 2012 is presented in the tables below.

Gross compensation paid and stock options and performance shares granted to each executive director

Laurent BURELLE **Chairman and Chief Executive Officer**	**2011**	**2012**
Compensation due in respect of the year (*see details below*)	2,938,859	3,243,854
Value of stock options granted during the year (*see details below*)	0	295,200
TOTAL	**2,938,859**	**3,539,054**

Paul Henry LEMARIÉ **Member of the Board and Chief Operating Officer**	**2011**	**2012**
Compensation due in respect of the year (*see details below*)	1,515,580	1,670,136
Value of stock options granted during the year (*see details below*)	0	147,600
TOTAL	**1,515,580**	**1,817,736**

Jean-Michel SZCZERBA **Member of the Board and Chief Operating Officer**	**2011**	**2012**
Compensation due in respect of the year (*see details below*)	1,021,777	1,100,346
Value of stock options granted during the year (*see details below*)	0	196,800
TOTAL	**1,021,777**	**1,297,146**

Gross compensation paid to executive directors

Laurent BURELLE **Chairman and Chief Executive Officer**	**2011**		**2012**	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
- Salary(1)	81,993	81,993	84,266	84,266
- Bonus(1) (2)	2,723,357	2,756,093	3,024,235	2,870,186
- Exceptional compensation	0	0	0	0
- Directors fees	133,509	133,509	135,353	135,353
- Benefits in kind		Company car		Company car
TOTAL	**2,938,859**	**2,971,595**	**3,243,854**	**3,089,805**

Paul Henry LEMARIÉ **Member of the Board and Chief Operating Officer**		**2011**		**2012**
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
- Salary(1)	81,993	81,993	84,266	84,266
- Bonus(1) (2)	1,361,678	1,378,047	1,512,117	1,435,093
- Exceptional compensation	0	0	0	0
- Directors fees	71,909	71,909	73,753	73,753
- Benefits in kind		Company car		Company car
TOTAL	**1,515,580**	**1,531,949**	**1,670,136**	**1,593,112**

(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 **Member of the Board and Chief Operating Officer**		**2011**		**2012**
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
- Salary(1)	681,177	681,177	725,775	725,775
- Bonus(1) (2)	330,000	330,000	350,000	350,000
- Exceptional compensation	0	0	0	0
- Directors fees	10,000	10,000	24,571	24,571
- Benefits in kind		Company car		Company car
TOTAL	**1,021,777**	**1,021,777**	**1,100,346**	**1,100,346**

In accordance with article L.225-102-1 of the French Commercial Code, the compensation paid by Burelle SA to Compagnie Plastic Omnium's Executive Directors in 2012 and the portion billed on to Compagnie Plastic Omnium for management services are presented in the table below:

	Gross compensation paid by Burelle SA in 2012	**O/w bonus**	**Amount billed on to the Plastic Omnium Group in 2012**	**O/w bonus**
Laurent BURELLE	2,977,777	2,870,186	2,245,382	2,181,341
Paul Henry LEMARIÉ	1,542,684	1,435,093	759,679	717,546
Jean BURELLE	1,469,818	1,435,093	358,773	358,773
Jean-Michel SZCZERBA	0	0	0	0

Directors' fees

Paid by Compagnie Plastic Omnium

Members of the Board	Directors fees paid in 2011	Directors fees paid in 2012
Laurent BURELLE	24,684	25,028
Paul Henry LEMARIÉ	19,084	19,428
Jean BURELLE	19,084	19,428
Jean-Michel SZCZERBA	NA	14,571
Éliane LEMARIÉ	19,084	19,428
Jean-Pierre ERGAS	22,984	23,328
Thierry de la TOUR D'ARTAISE	15,184	14,571
Jérôme GALLOT	23,784	25,728
Francis GAVOIS	22,984	6,157
Vincent LABRUYÈRE	24,584	23,328
Alain MÉRIEUX	16,484	4,857
Bernd GOTTSCHALK	16,484	18,128
Anne-Marie COUDERC	19,084	19,428
Anne ASENSIO	11,856	14,571
TOTAL	**255,364**	**247,979**

At its 16 December 2011 meeting, the Board allocated the aggregate amount of directors' fees as follows:

- Chairman: €2,700 per Board meeting
- Members of the Board: €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 Board members

Paid by Compagnie Plastic Omnium subsidiaries and Burelle SA

Executive Director	Directors fees paid in 2011	Directors fees paid in 2012
Laurent BURELLE	108,825	135,353
Paul Henry LEMARIÉ	52,825	73,753
Jean BURELLE	88,025	110,153
Jean-Michel SZCZERBA	10,000	24,571
TOTAL	**259,675**	**343,830**

Stock options granted to executive directors during the year

Name and position	Number of options granted during the year	Value of options using the method applied in the consolidated financial statements	Option exercise price	Exercise period
Laurent BURELLE Chairman and Chief Executive Officer	120,000	€295,200	€22.13	March 2016 – March 2019
Paul Henry LEMARIÉ Member of the Board and Chief Operating Officer	60,000	€147,600	€22.13	March 2016 – March 2019
Jean-Michel SZCZERBA Member of the Board and Chief Operating Officer	80,000	€196,800	€22.13	March 2016 – March 2019

Stock options exercised by executive directors during the year

Name and position	Plan date	Number of stock options exercised during the year	Option exercise price
Laurent BURELLE Chairman and Chief Executive Officer	2006 Plan 2007 Plan	150,000 150,000	€11.63 €13.12
Paul Henry LEMARIÉ Member of the Board and Chief Operating Officer	2006 Plan 2007 Plan	150,000 90,000	€11.63 €13.12
Jean-Michel SZCZERBA Member of the Board and Chief Operating Officer	2006 Plan	90,000	€11.63

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 granted during the year	Value of 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 Member of the Board and Chief Operating Officer	0	-	-	-	-	-
Jean-Michel SZCZERBA Member of the Board and Chief Operating Officer	0	-	-	-	-	-

Performance shares that vested during the year for each executive director

Name and position	Performance shares that vested during the year for executive directors	Plan date	Number of shares that vested during the year	Vesting conditions
Laurent BURELLE Chairman and Chief Executive Officer	0	-	-	-
Paul Henry LEMARIÉ Member of the Board and Chief Operating Officer	0	-	-	-
Jean-Michel SZCZERBA Member of the Board and Chief Operating Officer	0	-	-	-

Employment contracts, pension benefits, termination benefits

The executive directors' employment contracts have been suspended, in line with AFEP-MEDEF recommendations.

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 executive directors. The portion of the related annual cost billed on by Burelle SA to Compagnie Plastic Omnium and its subsidiaries amounted to €1,320,476 in 2012. The other retirement schemes for executive directors are the same as those for the Company's other managerial employees.

The executive directors are not entitled to any compensation for loss of office or for any change in the position, and they are not covered by a non-compete clause.

2.3 STATUTORY AUDITORS' REPORT

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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 2012.

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)*.

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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)*.

Paris-La-Défense, 27 February 2013

French original signed by

MAZARS — ERNST & YOUNG et Autres

JEAN-LUC BARLET — GILLES RABIER

03

SUSTAINABLE DEVELOPMENT

3.1 MEETING CHALLENGES

Sustainable development is an integral part of the strategy deployed by Plastic Omnium, which is committed to reconciling growth, support for employees and environmental stewardship.

In addition to developing products to make vehicles lighter, reduce polluting emissions, and cut down on waste, Plastic Omnium aims to promote eco-design and lessen the environmental impact and energy consumption of its businesses.

The Company also sees safety management as a top priority, and its Health Safety and Environment (HSE) program is an integral part of its strategy and management.

At a time when the Company is strengthening its international operations and diversifying its businesses, the need to attract the best talents and develop the PO Way program represent two priority paths for the future.

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ENVIRONMENTAL AND SOCIAL INFORMATION PROVIDED IN COMPLIANCE WITH ARTICLE L.225-102-1 OF THE COMMERCIAL CODE

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

3.2 ENVIRONMENTAL INFORMATION

Compagnie Plastic Omnium, which is listed on the First Market of NYSE Euronext Paris, 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 with 2011, the reporting scope for 2012 includes seven new industrial facilities: four additional Plastic Omnium Auto Exterior plants in the United Kingdom, Poland and China, and three Plastic Omnium Auto Inergy plants in Morocco, the United States and India.

However, three European plants operated by signage subsidiaries were sold by the Environment Division.

Plastic Omnium is pursuing 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 Management System since 2002 led to further improvement in a number of indicators in 2012:

- Because of increased business activity in 2012, 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: 1.694 kWh/kg of materials processed in 2012 versus 1.719 in 2011, a reduction of 1.5%.
  - Gas: 0.634kWh/kg of materials processed in 2012 versus 0.648 in 2011, a reduction of 2%.
- The ratio of water consumed to the volume of material processed amounted to 4.865 l/kg of material processed in 2012, versus 5.939 in 2011, a decrease of 18%.
- The ratio of greenhouse gas emissions to the volume of material processed amounted to 0.797 kg CO_2/kg of material processed in 2012, versus 0.799 in 2011, a decrease of 0.3%.
- In the area of safety, the year saw a 15% improvement in the accident frequency rate with lost time, which came to 4.10, versus 4.84 in 2011, while the accident frequency rate with and without lost time improved by 16% to 8.48, from 10.13 in the previous year.
- The accident severity rate (including temporary workers) improved to 0.10 from 0.29 in 2011 because of a fatal accident at a plant in Romania in September 2011 taken into account on the basis of 6,000 days. There were no fatal accidents in 2012.

The ISO 14001 certification program was pursued throughout the year, with 83 out of 95 sites certified at 31 December 2012, or 87% of the scope of certification versus 80 out of 89 at year-end 2011.

An OHSAS 18001 certification program was launched in late 2005. As of 31 December 2012, a total of 76 facilities out of 92 had been certified, representing 83% of the scope of certification, compared with 70 out of 86 at year-end 2011.

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 2012 after a follow-up audit detected no instances of non-compliance.

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ENVIRONMENTAL DATA

Environmental impacts

Consumption of water, electricity, gas and fuel in 2012

		2010	2011	2012
Water in cu.m*	Annual consumption	2,196,986	2,550,046	2,262,108
	% of revenue covered	*99.85%*	*100%*	*100%*
Electricity in kWh	Annual consumption	598,750,059	737,939,410	787,638,534
	% of revenue covered	*99.85%*	*100%*	*100%*
Gas in kWh	Annual consumption	259,756,904	278,430,074	294,847,159
	% of revenue covered	*99.85%*	*100%*	*100%*
Fuel in cu.m	Annual consumption	942	1,637	1,727
	% of revenue covered	*99.85%*	*100%*	*100%*

* Water supply sources: out of 97% of the volumes used in 2012, 42% came from mains supplies, and 58% from groundwater.

Consumption of plastics in 2012

		2010	2011	2012
New plastic (in tonnes)	Annual consumption	241,681	296,624	339,085
	% of revenue covered	*99.85%*	*100%*	*100%*
Recycled plastic (in tonnes)	Annual consumption	30,635	58,076	52,294
	% of revenue covered	*99.85%*	*100%*	*100%*
Biosourced plastic (in tonnes)	Annual consumption	/	112	2,783
	% of revenue covered	*/*	*100%*	*100%*
Total plastic (in tonnes)	Annual consumption	272,316	354,812	394,162
	% of revenue covered	*99.85%*	*100%*	*100%*

Consumption of paint and solvents in 2012

		2010	2011	2012
Paint (in tonnes)	Annual consumption	7,203	8,247	8,173
	% of revenue covered	*99.85%*	*99.53%*	*100%*
Solvents (in tonnes)	Annual consumption	4,946	5,957	5,211
	% of revenue covered	*99.85%*	*99.53%*	*100%*
Paint and solvents (in tonnes)	Annual consumption	12,149	14,204	13,384
	% of revenue covered	*99.85%*	*99.53%*	*100%*

Consumption of other raw materials in 2012: wood, steel and aluminum

		2010	2011	2012
Wood (in tonnes)	Annual consumption	127	89	74
	% of revenue covered	*100%*	*100%*	*100%*
Steel (in tonnes)	Annual consumption	52,892	59,322	57,064
	% of revenue covered	*100%*	*100%*	*100%*
Aluminum (in tonnes)	Annual consumption	784	921	260
	% of revenue covered	*100%*	*100%*	*100%*

Atmospheric releases in 2012

Volatile organic compounds (VOCs):

	2010	2011	2012
VOCs (in tonnes)	1,434	1,684	1,567
% of revenue covered by concerned facilities	*99.38%*	*100%*	*100%*

Most of our paint lines are fitted with VOC destruction systems.

Greenhouse gases

	2010	2011	2012
CO_2* (in tonnes of CO_2 equivalent)	264,850	342,920	368,575
% of revenue covered by concerned facilities	*99.85%*	*100%*	*100%*
N_2O (in tonnes of CO_2 equivalent)	/	/	592
% of revenue covered by concerned facilities	/	/	*100%*
CH_4 (in tonnes of CO_2 equivalent)	/	/	5
% of revenue covered by concerned facilities	/	/	*100%*
HFCs (in tonnes of CO_2 equivalent)	/	/	1,247
% of revenue covered by concerned facilities	/	/	*100%*
PFCs (in tonnes of CO_2 equivalent)	/	/	0
% of revenue covered by concerned facilities	/	/	*100%*
SF_6 (in tonnes of CO_2 equivalent)	/	/	0
% of revenue covered by concerned facilities	/	/	*100%*
Total greenhouse gases (in tonnes of CO_2 equivalent)	/	/	370,419
% of revenue covered by concerned facilities	/	/	*100%*

* These figures correspond to CO_2 emissions from energy consumed in industrial facilities. (Source: International Energy Agency, 2009 data).

Over 96% of our facilities have put in place measures to prevent, reduce, or remedy air, water and ground emissions that are harmful to the environment.

Waste generated in 2012

		2010	2011	2012
Recycled (in tonnes)	Volume of waste	31,281	33,996	41,296
	% of revenue covered	*99.38%*	*98.98%*	*100%*
Reused (in tonnes)	Volume of waste	6,422	7,638	9,165
	% of revenue covered	*99.38%*	*98.98%*	*100%*
Final waste (in tonnes)	Volume of waste	6,727	11,313	7,735
	% of revenue covered	*99.38%*	*98.98%*	*100%*
Total (in tonnes)	Volume of waste	44,430	52,948	58,196
	% of revenue covered	*99.38%*	*100%*	*100%*

- Total cost of waste management: €3.7 million (100% of revenue covered).
- Income generated by recycling: €7 million (100% of revenue covered).

Use of recycled materials in 2012

- Consumption of recycled plastic: 52,294 tonnes.
- Plastic Recycling, a subsidiary owned jointly with CFF Recycling, regenerated 8,126 tonnes of plastic during the year.

Noise pollution and odors

- Several preventative and corrective initiatives have been deployed to reduce our employees' exposure to noise and odors.
- These include acoustic and ambient air quality (smoke and dust) audits.

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

83 of 95 sites are now certified to ISO 14001 standards. This represents 87% of the scope of certification.

Plastic Omnium regularly acquires and or builds new plants. As a result, the objective of 90% certification for 2012 was only partially achieved. The new facilities are, however, involved in this process.

The objective for 2013 is 93% (because of a larger scope of certification).

OHSAS 18001

In all, 76 of 92 sites are now certified to OHSAS 18001 standards. This represents 83% of the scope of certification.

For the same reasons as for ISO 14001 certification, the objective of 86% set for 2012 was not achieved. However, all facilities are involved in the process.

The objective for 2013 is 91% (because of a larger scope of certification).

Moreover, OHSAS 18001 certification for the Group's system that centrally manages the safety of people and property (initially obtained in December 2006) was renewed in December 2012 after a follow-up audit detected no instances of non-compliance.

Organization

The Safety and Environmental Management organization is supported by:

- A Corporate 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.
- The Health, Safety and Environment (HSE) committee, which holds three meetings each year, with Executive Committee participation.

Safety and Environmental Training

- Information/awareness: 37,466 hours in 2012 for 23,831 participants (100% of revenue covered).
- Training: 57,144 hours for 14,910 participants (100% of revenue covered).
- Deployment of the Top Safety training program was accelerated in 2012. 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, South America and Asia participated in various programs. In all, 1,023 managers have received training and 11,697 people have taken part in information/awareness sessions.

- In 2012, the Company launched an ambitious Health, Safety and Environment plan based on five pillars that reflects Plastic Omnium'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: €244 million, equivalent to 5% of consolidated revenue.
- Safety and Environmental spending: €9.5 million (100% of revenue covered).
- Capital spending: €261 million.
- Dedicated Environmental and Safety investments: €3 million (100% of revenue covered).
- Environmental risk provisions: €2.5 million (100% of revenue covered).
- No products are made using asbestos.

Differences in the number of sites, the allocation base and the response rate between 2011 and 2012 had a slight influence on changes in indicators.

3.3 SOCIAL INFORMATION

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 promotes local management and the resolution of problems at the level where they arise. The Company complies with local legislation and seeks to reach consensual agreements with employee representatives, who are present at all operating levels.

At year-end 2012, the Company had 21,034 employees, of which 75% were outside France.

At 31 December 2012, the **1,404** members of the employee stock ownership plan held **763,488** Compagnie Plastic Omnium shares purchased on the market, representing **1.5%** of 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 stock.

Employee benefits expense

(in thousands of euros)	**2012**	**2011**
Wages and salaries	(556,275)	(501,307)
Payroll taxes	(172,954)	(156,368)
Non-discretionary profit-sharing	(14,137)	(13,433)
Pension and other post-employment benefit costs	51	(392)
Share-based payments	(1,220)	(2,224)
Other employee benefits expenses	(22,284)	(12,072)
TOTAL EMPLOYEE BENEFITS EXPENSE EXCLUDING TEMPORARY STAFF COSTS	**(766,818)**	**(685,796)**
Temporary staff costs	(62,660)	(68,474)
TOTAL EMPLOYEE BENEFITS EXPENSE INCLUDING FOR TEMPORARY STAFF	**(829,478)**	**(754,270)**

Other 2012 data

	2010	2011	2012
EMPLOYEES AT 31 DECEMBER	**15,674**	**17,068**	**18,341**
Permanent employment contracts	13,976	14,984	16,143
Fixed-term employment contracts	1,698	2,084	2,198
Men	12,296	13,397	14,206
Women	3,378	3,671	4,135
Operators	8,958	9,794	10,042
Administrative staff, technicians and supervisors	4,185	4,298	4,975
Managers	2,531	2,976	3,324
TERMINATIONS DURING THE YEAR			
Redundancies	203	66	87
Terminations for other reasons	394	436	473
Total terminations	597	502	560
OVERTIME			
Hours worked per week: 35 to 48, depending on the country	35 to 48 hours	35 to 48 hours	35 to 48 hours
Overtime (full-time equivalent)	550	669	1,026
TEMPORARY WORKERS			
Temporary workers (full-time equivalent)	2,251	2,820	2,898
Temporary workers at year-end	2,274	2,696	2,693
EMPLOYEES WORKING IN SHIFTS			
Total employees working in shifts	7,581	8,307	10,034
Of which employees working only nights	956	1,313	1,157
Of which employees working only weekends	59	156	118
Part-time employees	350	337	366
ABSENTEEISM AND REASONS (% OF HOURS WORKED)			
Absenteeism rate due to workplace accidents	0.13%	0.11%	0.07%
Absenteeism rate due to other causes	2.96%	2.66%	2.61%
Total absenteeism rate	3.10%	2.77%	2.69%
GENDER EQUALITY			
Number of women managers at 31 December	455	515	649
Number of women managers hired during the year	46	102	149
EMPLOYEE RELATIONS			
Number of works councils	153	162	156
Other committees (training/suggestions)	62	69	77
Number of unions represented	30	32	32
Number of agreements signed during the year	96	139	114

TRAINING			
Number of employees who received training	21,027	26,148	37,683
Number of sessions per employee per year	1.60	1.80	2.24
Total expenditure on outside training (in € thousands)	3,062	3,776	4,364
Total training hours	277,497	313,615	392,892
Training hours per year per employee	21.11	21.54	23.41
DISABLED EMPLOYEES			
Number of disabled workers	253	293	301
WORKS COUNCIL EMPLOYEE WELFARE PROGRAMS (FRANCE ONLY)			
Total contribution to works council employee welfare programs (in € thousands)	1,509	1,574	1,608

Note 1:

Employees at 31 December and temporary workers concern all companies included in the scope of consolidation

The rest of the information is:

- for 2010/2011 excluding China and HBPO
- for 2012 excluding YFPO and HBPO (1,045 permanent employment contracts, 520 fixed term employment contracts, and 123 temporary workers).

Note 2:

The information has been recalculated in the table above based on employees excluding China and HBPO for 2010/2011 and employees excluding YFPO and HBPO for 2012.

In the table below the information is calculated based on total employees.

	2010	2011	2012
Number of training sessions per employee per year	1.34	1.53	2.05
Training hours per year per employee	**17.7**	**18.37**	**21.42**

–

HEALTH AND SAFETY INFORMATION

Occupational illnesses and injuries

	2010	2011	2012
Reported occupational illnesses and injuries	41	38	26
Recognized occupational illnesses and injuries	43	38	24

Occupational illnesses and injuries reported in the seven categories listed by the World Health Organization.

Safety indicators (including temporary workers)

	2010	2011	2012
Number of first aid cases	1,987	1,984	1,980
Number of accidents without lost time	210	197	186
Number of accidents with lost time	135	180	174
Number of days of accident-related lost time	5,213	10,654*	4,375

Accident frequency and severity (including temporary workers)

	2010	2011	2012
Accident frequency rate with lost time *Number of accidents per million hours worked.*	4.13	4.84	4.10
Accident frequency rate with and without lost time *Number of accidents per million hours worked.*	10.56	10.13	8.48
Accident severity rate *Number of days of accident-related lost time per 1,000 hours worked.*	0.16	0.29*	0.10

* Includes a fatal accident at a Plastic Omnium facility in Romania in September 2011 taken into account on the basis of 6,000 days.

Accident frequency and severity (excluding temporary workers)

	2010	2011	2012
Accident frequency rate with lost time *Number of accidents per million hours worked.*	3.74	4.32	3.86
Accident frequency rate with and without lost time *Number of accidents per million hours worked.*	10.06	9.39	8.49
Accident severity rate *Number of days of accident-related lost time per 1,000 hours worked.*	0.18	0.14	0.12

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

04

MANAGEMENT'S DISCUSSION AND ANALYSIS

4.1 2012 HIGHLIGHTS

CONTINUING TO DEVELOP IN FAST GROWING AUTOMOBILE-PRODUCING REGIONS

Plastic Omnium is resolutely committed to expanding its manufacturing capacity in fast growing automobile-producing regions, in order to partner carmakers in their global development. Auto Inergy's Sorocaba plant in Brazil and Tangiers plant in Morocco, and Plastic Omnium Auto Exterior's Gliwice plant in Poland were brought on stream in 2012 and five new plants are currently being built (four in China and one in India). In all, as of 31 December 2012, the Automotive Division had 94 plants, two thirds of which were in growth regions.

As announced, capital spending will be stepped up in growth regions, with a budget of €1.2 billion for the 2013-2016 period, of which €800 million is earmarked for industrial facilities to increase capacity in growth regions, and €400 million will be channeled into the development of new automotive projects.

PURSUING A TARGETED ACQUISITIONS STRATEGY

In 2012, Plastic Omnium pursued its targeted acquisitions strategy, particularly to accelerate its potential for growth in new regions and with new customers.

In Russia, Plastic Omnium Auto Inergy signed a joint venture agreement with leading Russian fuel system company DSK in April 2012. INERGY has contributed its Stavrovo plant to the joint venture, DIPO, in return for a 51% stake, and the Group's Russian partner has contributed its Togliatti plant. DIPO will manufacture fuel systems for AvtoVAZ (the Russian leader with a 27% market share) in Togliatti, Ford and Avtoframos, as well as for future Nissan and Renault models to be produced in Russia. The company will capture the growth opportunities arising from the rapidly expanding Russian market and from the gradual substitution of plastic fuel tanks for steel models, which still account for 60% of the local market, whereas nearly all tanks in Europe are made of plastic. DIPO is in the process of building a new plant in Saint-Petersburg to service recently obtained contracts from Nissan, General Motors and Ford, which will be operational from the end of 2013. By 2015, Inergy expects to be manufacturing over a million fuel tanks in Russia, giving it 40% of the local market.

At the end of January 2012, INERGY finalized the creation of a joint venture in China with Beijing Hainachuan Automotive Parts Co Ltd (BHAP), a subsidiary of Beijing Automotive Industry Co (BAIC). BAIC is one of China's leading automobile manufacturers, selling cars in the local market under its own brand and through its joint ventures with Mercedes Benz and Hyundai. The new company will be owned 40% by BHAP and 60% by Plastic Omnium Auto Inergy, which will contribute its Beijing plant where fuel systems for Hyundai are already being produced. The transaction strengthens Plastic Omnium Auto Inergy's growth potential in China, the world's largest automobile market, by creating a cooperative relationship with BAIC and its partners Mercedes and Hyundai in this country.

In India, Plastic Omnium Auto Exterior acquired exclusive control of its joint venture in Pune in August 2012, after buying out the 40% stake held by local partner Varroc. The Pune plant supplies bumpers to General Motors, Mahindra & Mahindra and Volkswagen.

STRENGTHENING RESEARCH AND DEVELOPMENT

On 28 June 2012, Plastic Omnium announced plans to build a new international Research and Development center for Plastic Omnium Auto Inergy, in line with its strategy of growth through innovation and international expansion.

Costing around €50 million, the new center will open in 2014.

Building on the success of ∑-Sigmatech, the R&D center for exterior automotive components near Lyon, France, that opened in 2002 and currently has more than 500 employees, the new center is intended to strengthen and accelerate Plastic Omnium Auto Inergy's capacity for innovation in key areas for the future of the automobile – energy and environmental protection – through the reduction of polluting emissions.

Once the new site is operational, Plastic Omnium will have two world-class R&D centers in France with a combined total of more than 1,000 employees, or 20% of the Group's French workforce.

In 2012, construction also began of a development center in China for the exterior automotive components businesses, as part of the YFPO joint venture. The center, which will be up and running from mid-2013, will eventually employ 700 people.

Lastly, the Group stepped up the pace of its investments for help create lighter vehicles. The new research center in Lyon for composite materials has been operational since mid-2012.

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PLASTIC OMNIUM ENVIRONMENT REFOCUSED ON THE WASTE CONTAINERIZATION BUSINESS

In March 2012, Plastic Omnium and Eurovia unwound their cross-shareholdings in road signage, and Plastic Omnium sold its French and German road signage subsidiaries to Eurovia.

This divestment reflects Plastic Omnium Environment's decision to focus its development on waste management solutions and on fast-growing businesses that address the needs of local communities.

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INCREASED STAKE FOR BURELLE SA, THE MAJORITY SHAREHOLDER

Following a decision by the Board of Directors at its meeting on 17 July 2012, Compagnie Plastic Omnium cancelled 924,790 shares held in treasury, representing 1.8% of total capital, on 12 September 2012. As a result, share capital was reduced to €8,782,031.19, represented by 51,659,007 shares with a par value of €0.17 each, and Burelle SA's stake was increased from 55.1% to 56.1%.

4.2 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Revenue for the year ended 31 December 2012 totaled €4,806.2 million, representing an increase of 13.9% as reported and 8.5% at constant scope of consolidation and exchange rates.

Changes in the scope of consolidation mainly concerned (i) the acquisition by the Automotive Division of Ford's fuel system production assets in the United States in June 2011 and the Plastal exterior automotive components plants in Poland, and (ii) the Environment Division's sale of the road signage businesses in France and Germany with retroactive effect to 1 January 2012.

Plastic Omnium's geographic shift towards the fastest-growing regions accelerated in 2012. Revenue from Asia, North America and Eastern Europe rose by 28%, 31% and 31% respectively. These three growth regions now account for 53% of the consolidated total.

In € millions and as a % of revenue by region	Year		% change
	2011	2012	
France	801.3	742.5	-7.3%
	19%	*15%*	
Western Europe (excluding France)	1,240.6	1,274.1	+2.7%
	29%	*27%*	
Eastern Europe	357.4	467.6	+30.8%
	9%	*10%*	
North America	1,002.1	1,312.5	+31.0%
	24%	*27%*	
South America, Africa	223.3	246.2	+10.3%
	5%	*5%*	
Asia	595.7	763.3	+28.1%
	14%	*16%*	
Consolidated revenue	**4,220.4**	**4,806.2**	***+13.9%***
	100%	***100%***	

The increase in revenue breaks down as follows by business:

In € millions by business segment	Year		% change
	2011	2012	
Plastic Omnium Automotive	3,720.1	4,343.0	+16.7%
Plastic Omnium Environment	500.3	463.2	-7.4%
Consolidated revenue	**4,220.4**	**4,806.2**	***+13.9%***

In 2012, revenue generated by **Plastic Omnium Automotive** amounted to €4,343 million, an increase of 16.7% as reported and 9.3% at constant scope of consolidation and exchange rates. With this performance, **the business once again outperformed worldwide automobile production,** which rose by 6.6% for the year. Nearly 5 million additional vehicles were produced worldwide, of which 2.3 million in North America and 1.2 million in China. Plastic Omnium increased its share of the market in both of these regions. In North America, market share was boosted by the acquisition of Ford's fuel system production assets in the United States and by the construction of a new plant to manufacture parts for Volkswagen in Mexico, while in China, four new plants were added to the industrial base and three more are currently being built. Revenue in China rose by 27% to €285 million and now accounts for 7% of the Automotive Division total. In all, 63% of Automotive revenue is now generated outside Western Europe, compared with 58% in 2011.

Revenue in Western Europe grew by 1.5% in 2012, despite a 7.7% drop in automobile production. Plastic Omnium is reaping the rewards of continual quality and innovation efforts in this region, with market share gains (Mercedes Class A and B, Toyota Yaris) and contracts to equip new models (Range Rover Evoque, Volkswagen Up!).

The Group's strategic focus on strengthening innovation capabilities and increasing production capacity in growth regions has helped to further diversify the customer portfolio, with Volkswagen-Porsche now Plastic Omnium's largest customer, generating 15% of Automotive revenue. German customers are now the largest contributors to the Automotive business, accounting for 31% of revenue, followed by US customers (General Motors, Ford and Chrysler) at 25%. French customers contribute 22% of revenue, with PSA Peugeot Citroën representing 14% and Renault representing 8%.

In 2012, the **Environment** Division divested its road signage businesses in France, Germany and Spain in order to focus on waste containers and related services. Excluding the impact of this sale, Plastic Omnium Environment revenue rose by 2% at constant scope of consolidation and exchange rates.

The Group consolidated its global leadership in the sector, scoring major successes in France and Germany with new products (underground containers) and new services (incentive-based waste collection invoicing). It also stepped up the pace of development outside Western Europe, with the signature of important contracts in Hungary, Brazil and Malaysia.

Gross profit amounted to €687.5 million, versus €614.1 million in 2011, representing 14.3% of revenue, compared with 14.6% the previous year.

Gross R&D spending rose by €37.4 million to €243.7 million, reflecting deeper backlog. The net spend (i.e. excluding capitalized development costs and amounts re-invoiced to customers) came to €97.5 million, or 2.0% of revenue, versus €78.3 million and 1.9% of revenue in 2011.

Selling costs amounted to €60.7 million, or 1.3% of revenue, versus 1.5% in 2011.

Administrative expenses rose to €194.2 million in 2012 from €176.1 million in 2011, but represented just 4.0% of revenue, versus 4.2% in 2011.

Operating margin before amortization of intangible assets acquired in business combinations rose by 13% to €335.1 million.

Along with its sustained sales and the ramp-up of new plants, Plastic Omnium Automotive continued to rein in costs and generated a record-high operating margin of €316.3 million. This represented 7.3% of revenue, unchanged from 2011.

Plastic Omnium Environment's operating margin stood at €18.8 million compared with €23.3 million in 2011, in a European business environment shaped by budgetary restrictions.

Operating margin *(in € millions)*	**2012**	**2011**
AUTOMOTIVE	316.3	273.2
% of Automotive revenue	*7.3%*	*7.3%*
ENVIRONMENT	18.8	23.3
% of Environment revenue	*4.1%*	*4.7%*
TOTAL	**335.1**	**296.5**
% of total revenue	***7.0%***	***7.0%***

Amortization of intangible assets acquired in business combinations amounted to €18.1 million in 2012.

Other **operating income and expenses** represented a net expense of €28.2 million, comprised mainly of:

- €42 million in impairment losses and restructuring costs. Anticipating ongoing weak sales in Europe, Plastic Omnium announced in late 2012 that it would adjust its European production base by closing the Eisenach plant in Germany, introducing a competitiveness plan at the Saint-Désirat facility in France, and making the R&D center in Compiègne, France, the sole center for fuel system research and development.
- €16.5 million in income corresponding to the revaluation of a plot of land in Lyon where the Company is launching construction of an office complex for rental and to gains on acquisitions (Ford Milan and Plastal Poland).

Net finance costs totaled €45.2 million (0.9% of revenue), versus €42.1 million in 2011.

Income tax expense came to €62.3 million in 2012 (compared with an expense of €58.1 million in 2011) for an effective tax rate of 25.6% (25.3% in 2011).

Net profit amounted to €181.5 million, versus €171.4 million in 2011, representing 3.8% of revenue.

Earnings per share stood at €3.64, compared with €3.44 in 2011.

LIQUIDITY AND CAPITAL RESOURCES

Funds from operations totaled €474 million, or 9.9% of revenue, amply covering the Group's capital spending projects, which amounted to €261 million or 5.4% of revenue. These projects were directed primarily at increasing production capacity in growth regions and driving the search for innovative solutions that reduce vehicle weight, harmful emissions and waste.

At a time of strong business growth, working capital requirement was reduced by €62 million in 2012.

Free cash flow *(net cash generated by operating activities less net spending on intangible assets and property, plant and equipment)* reached €168 million in 2012, representing 3.5% of revenue.

Dividend payments and share buybacks represented a total of €38 million in 2012. Outlays for acquisitions and the negative currency effect came to an aggregate €49 million.

In total, net debt was reduced by €81 million to €390 million. Gearing stood at 47%, compared with 64% for 2011, while net debt was 0.8 times EBITDA.

In second-half 2012, the Company began diversifying its sources of financing, which until then had involved exclusively bank credit facilities, with the issue of Schuldschein and EuroPP private placement notes. The two issues enabled Plastic Omnium to raise €370 million over six years without covenants.

4.3 COMMENTS ON THE COMPANY FINANCIAL STATEMENTS

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EARNINGS PERFORMANCE

Compagnie Plastic Omnium posted operating revenue of €24.6 million in 2012, versus €21.2 million the previous year. The 2012 total consisted mainly of:

- €21.3 million in trademark license fees received from subsidiaries.
- €1.7 million in billings to subsidiaries of costs incurred on their behalf.

The Company ended the year with an operating loss of €0.5 million, compared with an operating profit of €0.4 million in 2011.

Net financial income rose to €243.8 million from €133 million in 2011, reflecting the net impact of:

- €240.7 million in dividends received from subsidiaries, up from €136.2 million in 2011.
- €0.3 million in net reversals of provisions for impairment and financial risks on shares in subsidiaries and affiliates, versus €1.6 million in net provision charges in 2011.
- A €1.5 million net foreign exchange gain, versus €1 million the year before.
- €1.2 million in net interest income on loans and current account advances.

Taking into account net non-operating income of €6.4 million, income before tax amounted to €249.7 million versus €123.6 million in 2011.

A net income tax benefit of €2.9 million was recorded in 2012 compared with €11 million the previous year.

As a result, net income for the year came to €252.6 million versus €134.6 million in 2011.

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.

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BALANCE SHEET STRUCTURE

Compagnie Plastic Omnium ended 2012 with net cash of €73.1 million, compared with net debt of €69.2 million at 31 December 2011. Cash flows for the year included:

- €240.7 million in dividends received from subsidiaries compared with €136.2 million in 2011.
- The Company's participation in rights issues by Plastic Omnium GmbH, for €50 million, and Plastic Omnium Holding Co Ltd, for €25 million.
- A €33.6 million dividend payment.

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

4.4 OUTLOOK AND SUBSEQUENT EVENTS

Worldwide automobile production is expected to rise by 1-2% in 2013 to around 81 million vehicles.

Plastic Omnium will continue to outpace growth in global automobile production. In 2013, growth in the Automotive business will be driven by the launch of around 100 new programs, of which 20% for innovative equipment (such as composite opening modules and SCR systems that reduce nitrogen oxide emissions) and 40% in the BRICs. After having acquired all outstanding shares in its bumper operations in India in 2012, Plastic Omnium recently increased its stake in its composite truck component business in China from 60% to 100%.

In the Environment business, sales will be supported by an expanded portfolio of products and services.

Plastic Omnium will step up its investment program to meet growing demand and strengthen its market share around the world.

To the best of management's knowledge, no other events have occurred since 31 December 2012 that would be likely to have a material impact on the Group's business, financial position, results or assets, other than those mentioned on page 125 of the 2012 consolidated financial statements.

05

CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2012

BALANCE SHEET

(in thousands of euros)	Notes	31 December 2012	31 December 2011
ASSETS			
Goodwill	3.1.2 - 3.4 - 5.1.1 - 5.1.2	335,525	343,811
Intangible assets	3.1.2 - 3.4 - 5.1.2	350,245	331,349
Property, plant and equipment	3.1.2 - 3.4 - 3.5 -5.1.3	897,126	770,514
Investment property	3.1.2 - 3.4 - 5.1.4	15,200	18,355
Investments in associates	5.1.5	6,282	4,436
Available-for-sale financial assets* #	5.1.6	2,734	1,952
Other non-current financial assets*	5.1.7	60,518	81,538
Deferred tax assets	5.1.11	74,871	58,473
TOTAL NON-CURRENT ASSETS		**1,742,501**	**1,610,428**
Inventories	3.1.2 - 5.1.8	271,791	261,399
Finance receivables – current portion*	5.1.9 - 5.2.7. (d)	40,036	39,066
Trade receivables	3.1.2 - 5.1.10. (b) - (d) - 6.3	561,975	439,668
Other receivables	3.1.2 - 5.1.10. (c) - (d)	204,008	206,971
Other short-term financial receivables*	5.1.9 - 5.2.7. (d)	1,777	5,714
Hedging instruments*	5.2.7. (d) - 5.2.8	314	2
Cash and cash equivalents*	5.1.12	328,089	204,536
TOTAL CURRENT ASSETS		**1,407,990**	**1,157,356**
Assets held for sale	**2.6**	**1,210**	**41,569**
TOTAL ASSETS		**3,151,701**	**2,809,353**
EQUITY AND LIABILITIES			
Capital	5.2.1.1	8,782	8,939
Treasury stock		(28,556)	(44,403)
Additional paid-in capital		65,913	82,968
Retained earnings and revaluation reserve		555,615	435,829
Profit for the period		173,382	164,695
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**775,136**	**648,028**
Non-controlling interests		41,870	76,600
TOTAL EQUITY		**817,006**	**724,628**
Long-term borrowings*	5.2.7. (d)	605,086	564,397
Provisions for pensions and other post-employment benefits	5.2.5 - 5.2.6	80,352	62,689
Long-term provisions	5.2.5	12,218	17,614
Government grants	5.2.4	13,195	14,692
Deferred tax liabilities	5.1.11	55,915	52,094
TOTAL NON-CURRENT LIABILITIES		**766,766**	**711,486**
Bank overdrafts*	5.1.12. (b) - 5.2.7. (d)	6,864	44,335
Short-term borrowings*	5.2.7. (d)	186,952	171,471
Other short-term debt*	5.2.7. (d)	3,382	11,363
Hedging instruments*	5.2.7. (d) - 5.2.8	20,420	11,937
Short-term provisions	5.2.5	52,990	37,720
Current portion of government grants	5.2.4	276	277
Trade payables	5.2.9. (a) - (c)	792,860	643,405
Other operating liabilities	5.2.9. (b) - (c)	504,185	435,804
TOTAL CURRENT LIABILITIES		**1,567,929**	**1,356,312**
Liabilities related to assets held for sale	**2.6**	**-**	**16,927**
TOTAL EQUITY AND LIABILITIES		**3,151,701**	**2,809,353**

* Net debt stood at €389.8 million at 31 December 2012 compared with €471.3 million one year earlier (see note 5.2.7.d.).

\# Of which €2,148 thousand and €1,328 thousand in contributions to France's Tier 2 Automotive OEM Modernization Fund (FMEA2), which were included in the calculation of net debt at 31 December 2012 and 31 December 2011, respectively (see note 5.1.6).

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2012	%	2011	%
REVENUE	**3.1.1 - 3.2**	**4,806,171**	**100%**	**4,220,410**	**100%**
Cost of sales	4.2	(4,118,652)	-85.7%	(3,606,305)	-85.4%
GROSS PROFIT	**3.1.1**	**687,519**	**14.3%**	**614,105**	**14.6%**
Net research and development costs	4.1 - 4.2	(97,514)	-2.0%	(78,323)	-1.9%
Selling costs	4.2	(60,771)	-1.3%	(63,254)	-1.5%
Administrative expenses	4.2	(194,152)	-4.0%	(176,076)	-4.2%
OPERATING MARGIN BEFORE AMORTIZATION OF INTANGIBLE ASSETS ACQUIRED IN BUSINESS COMBINATIONS*	**3.1.1**	**335,082**	**7.0%**	**296,452**	**7.0%**
Amortization of intangible assets acquired in business combinations*	3.1.1 - 4.4	(18,122)	-0.4%	(17,042)	-0.4%
OPERATING MARGIN AFTER AMORTIZATION OF INTANGIBLE ASSETS ACQUIRED IN BUSINESS COMBINATIONS*	**3.1.1**	**316,960**	**6.6%**	**279,410**	**6.6%**
Other operating income	3.1.1 - 4.5	15,165	0.3%	56,071	1.3%
Other operating expenses	3.1.1 - 4.5	(43,358)	-0.9%	(63,339)	-1.5%
Finance costs	3.1.1 - 4.6	(34,562)	-0.7%	(35,807)	-0.8%
Other financial income and expense, net	3.1.1 - 4.6	(10,632)	-0.2%	(6,330)	-0.1%
Share of profit/(loss) of associates	3.1.1 - 5.1.5	243	-	(551)	-
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX	**3.1.1**	**243,816**	**5.1%**	**229,454**	**5.4%**
Income tax	3.1.1 - 4.7	(62,313)	-1.3%	(58,086)	-1.4%
NET PROFIT FROM CONTINUING OPERATIONS	**3.1.1**	**181,503**	**3.8%**	**171,368**	**4.1%**
Net income from discontinued operations	3.1.1	-	-	-	-
NET PROFIT	**3.1.1**	**181,503**	**3.8%**	**171,368**	**4.1%**
Net profit attributable to non-controlling interests		8,121	0.2%	6,673	0.2%
Net profit attributable to owners of the parent		**173,382**	**3.6%**	**164,695**	**3.9%**
Earnings per share attributable to owners of the parent	4.8				
Basic earnings per share (in euros)**		3.64		3.44	
Diluted earnings per share (in euros)***		3.57		3.30	
Earnings per share from continuing operations attributable to owners of the parent	4.8	–		–	
Basic earnings per share (in euros)**		3.64		3.44	
Diluted earnings per share (in euros)***		3.57		3.30	

* Intangible assets acquired in business combinations.

** Basic earnings per share have been calculated using the number of shares outstanding less the average number of shares held in treasury stock.

*** Diluted earnings per share are determined after excluding the average number of shares held in treasury stock deducted from equity and including shares to be issued on exercise of stock options.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	2012			2011		
	Total	**Gross**	**Tax**	**Total**	**Gross**	**Tax**
Net profit for the period attributable to owners of the parent	**173,382**	**232,752**	**(59,370)**	**164,695**	**220,820**	**(56,125)**
Translation differences	(7,526)	(7,526)	-	4,862	4,862	-
Gains/losses for the period	*(7,526)*	*(7,526)*	-	*4,545*	*4,545*	-
Reclassified to the income statement	-	-	-	*317*	*317*	-
Actuarial losses recognized in equity	(7,746)	(16,346)	8,600	(9,688)	(11,901)	2,213
Cash flow hedges	(5,269)	(7,791)	2,522	(5,556)	(8,925)	3,369
Gains/losses for the period - Interest rate instruments	*(4,451)*	*(6,565)*	*2,114*	*(4,439)*	*(7,250)*	*2,811*
Reclassified to the income statement - Interest rate instruments	*(611)*	*(916)*	*305*	*(1,117)*	*(1,675)*	*558*
Gains/losses for the period - Currency instruments	*(207)*	*(310)*	*103*	-	-	-
Fair value adjustments to property, plant and equipment	333	500	(167)	-	-	-
Other comprehensive income	**(20,208)**	**(31,163)**	**10,955**	**(10,382)**	**(15,964)**	**5,582**
Comprehensive income attributable to owners of the parent	**153,174**	**201,589**	**(48,415)**	**154,313**	**204,856**	**(50,543)**
Net profit for the period attributable to non-controlling interests	**8,121**	**11,064**	**(2,943)**	**6,673**	**8,634**	**(1,961)**
Translation differences	(128)	(128)	-	(1,168)	(1,168)	-
Gains/losses for the period	*(128)*	*(128)*	-	*(1,168)*	*(1,168)*	-
Reclassified to the income statement	-	-	-	-	-	-
Actuarial gains/losses recognized in equity	-	-	-	(1,110)	(1,619)	509
Other comprehensive income	**(128)**	**(128)**	**-**	**(2,278)**	**(2,787)**	**509**
Comprehensive income attributable to non-controlling interests	**7,993**	**10,936**	**(2,943)**	**4,395**	**5,847**	**(1,452)**
TOTAL COMPREHENSIVE INCOME	**161,167**	**212,525**	**(51,358)**	**158,708**	**210,703**	**(51,995)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

						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	Attributable to owners of the parent	Attributable to non-controlling interests	**Total equity**
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**
Appropriation of 2010 net profit					139,546		(139,546)	-		-
2011 net profit							164,695	164,695	6,673	171,368
Other comprehensive income	-	-	-	-	(16,647)	6,265	-	(10,382)	(2,278)	(12,660)
Exchange differences on translating foreign operations					*(1,403)*	*6,265*		*4,862*	*(1,168)*	*3,694*
Actuarial gains/losses recognized in equity					*(9,688)*			*(9,688)*	*(1,110)*	*(10,798)*
Cash flow hedges					*(5,556)*			*(5,556)*		*(5,556)*
COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**122,899**	**6,265**	**25,149**	**154,313**	**4,395**	**158,708**
Treasury stock transactions	-		-	(13,115)				(13,115)		(13,115)
Stock-split*	35,289	177			(177)			-		-
Capital reduction (cancellation of treasury stock)	(350)	(60)	(6,491)	6,551				-		-
Changes in scope of consolidation***					(29)			(29)	1,564	1,536
Dividends paid by Compagnie Plastic Omnium					(22,545)			(22,545)	-	(22,545)
Dividends paid by other Group companies								-	(8,827)	(8,827)
Stock option costs					2,191			2,191		2,191
EQUITY AT 31 DECEMBER 2011	**52,584**	**8,939**	**82,968**	**(44,403)**	**428,168****	**7,661**	**164,695**	**648,028**	**76,600**	**724,628**
Appropriation of 2011 net profit					164,695		(164,695)	-		-
2012 net profit							173,382	173,382	8,121	181,503
Other comprehensive income	-	-	-	-	(12,156)	(8,052)	-	(20,208)	(128)	(20,336)
Exchange differences on translating foreign operations					*526*	*(8,052)*		*(7,526)*	*(128)*	*(7,654)*
Actuarial gains/losses recognized in equity					*(7,746)*			*(7,746)*		*(7,746)*
Cash flow hedges - Interest rate instruments					*(5,062)*			*(5,062)*		*(5,062)*
Cash flow hedges - Currency instruments					*(207)*			*(207)*		*(207)*
Fair value adjustments to property, plant and equipment					*333*			*333*		*333*
COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**152,539**	**(8,052)**	**8,687**	**153,174**	**7,993**	**161,167**
Treasury stock transactions	-		-	(1,366)	2,307			941		941
Capital reduction (cancellation of treasury stock)	(925)	(157)	(17,055)	17,212	-			-		-
Tax effect of treasury stock transactions					(2,918)			(2,918)		(2,918)
Changes in scope of consolidation***					9,776			9,776	(37,769)	(27,993)
Dividends paid by Compagnie Plastic Omnium					(33,566)			(33,566)	-	(33,566)
Dividends paid by other Group companies					-			-	(4,954)	(4,954)
Stock option costs					1,220			1,220		1,220
Deferred taxes on stock options					(1,519)			(1,519)		(1,519)
EQUITY AT 31 DECEMBER 2012	**51,659**	**8,782**	**65,913**	**(28,556)**	**556,007****	**(391)**	**173,382**	**775,136**	**41,870**	**817,006**

The 2011 dividend paid by Compagnie Plastic Omnium in 2012 was €0.69 per share compared with a post-split dividend of €0.47 per share (€1.40 before adjustment for the stock-split) for 2010.

* The Shareholders' Meeting of 28 April 2011 approved a three-for-one stock split reducing the par value of the Plastic Omnium share from €0.50 to €0.17 and multiplying the number of shares outstanding by three. The stock-split was carried out on 10 May 2011.

** See note 5.2.1.2 for details of "Other reserves".

*** See note 5.2.1.3 for details of changes in scope of consolidation.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	2012	2011
I – CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	**3.1.1**	**181,503**	**171,368**
Non-cash items		**292,601**	**249,453**
Share of profit/loss of associates	*5.1.5*	*(243)*	*551*
Stock option expense		*1,220*	*2,191*
Other adjustments		*(7,175)*	*(6,448)*
Depreciation and provisions for impairment of property, plant and equipment	*3.1.3 - 5.1.3*	*122,009*	*115,289*
Amortization and provisions for impairment of intangible assets	*3.1.3 - 5.1.2*	*73,831*	*70,420*
Impairment of goodwill	*1.16 - 4.5 (2) - 5.1.1*	*10,000*	*-*
Negative goodwill	*4.5*	*(8,996)*	*(43,619)*
Changes in provisions		*(28,986)*	*18,217*
Net (gains)/losses on disposals of non-current assets	*4..5.#*	*38,223*	*2,323*
Proceeds from operating grants recognized in the income statement		*(1,626)*	*(1,311)*
Current and deferred taxes	*4.7*	*62,313*	*58,086*
Interest expense		*32,031*	*33,754*
FUNDS FROM OPERATIONS (A)*		**474,104**	**420,821**
Change in inventories and work-in-progress - net		(13,288)	18,363
Change in trade receivables - net		(133,155)	(74,857)
Change in trade payables		184,208	118,746
Change in other operating assets and liabilities - net		24,192	(8,805)
CHANGE IN WORKING CAPITAL (B)		**61,957**	**53,447**
TAXES PAID (C)		**(75,673)**	**(58,706)**
Interest paid		(34,278)	(38,392)
Interest received		2,897	3,936
NET INTEREST PAID (D)		**(31,381)**	**(34,456)**
NET CASH GENERATED BY OPERATING ACTIVITIES (A+B+C+D)		**429,007**	**381,106**
II – CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	3.1.3 - 5.1.3	(213,994)	(170,227)
Acquisitions of intangible assets	3.1.3 - 5.1.2	(95,580)	(94,975)
Proceeds from disposals of property, plant and equipment	4.5.#	21,311	8,894
Proceeds from disposals of intangible assets	4.5.#	1,068	4,517
Net change in advances to suppliers of fixed assets		25,801	18,798
Government grants received		167	4,434
NET CASH USED IN OPERATIONS-RELATED INVESTING ACTIVITIES (E)		**(261,227)**	**(228,559)**
FREE CASH FLOW (A+B+C+D+E)**		**167,780**	**152,547**
Acquisitions of subsidiaries and associates	5.1.13.1.a	(26,396)	(31,563)
Acquisitions of available-for-sale financial assets		(133)	(161)
Proceeds from disposals of shares in subsidiaries and associates	4.5.# - 5.1.13.2.a	20,608	1,831
Proceeds from disposals of available-for-sale financial assets	4.5.#	-	156
Impact of changes in scope of consolidation (newly consolidated companies)		4,701	1,922
Impact of changes in scope of consolidation (deconsolidations)		-	(385)
NET CASH USED IN FINANCIAL INVESTING ACTIVITIES (F)		**(1,220)**	**(28,200)**
NET CASH USED IN INVESTING ACTIVITIES (E+F)		**(262,447)**	**(256,759)**

III – CASH FLOWS FROM FINANCING ACTIVITIES			
Capital increase/(reduction)		-	-
Purchases/sales of treasury stock, net		941	(13,115)
Dividends paid to Burelle SA#		(19,992)	(13,521)
Dividends paid to other shareholders##		(18,527)	(17,853)
Acquisitions of non-controlling interests	5.1.13.1.b	(35,571)	-
Proceeds from disposals of non-controlling interests	4.5.# - 5.1.13.2.b	2,880	-
Proceeds from new borrowings		474,225	116,972
Repayment of borrowings		(406,287)	(196,246)
NET CASH USED IN FINANCING ACTIVITIES (G)		**(2,331)**	**(123,763)**
Discontinued operations (H)		-	(759)
Effect of exchange rate changes (I)		(3,205)	(2,257)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E+F+G+H+I)		**161,024**	**(2,432)**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5.1.12	160,201	162,633
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	**5.1.12**	**321,225**	**160,201**

* The full payment in 2011 of the fine levied in a competition ruling reduced funds from operations by €18.7 million. The settlement of a claim made under a seller's warranty received from Burelle SA had an impact of €10.5 million on working capital.

** Free cash flow is calculated on a basis specific to Plastic Omnium and excludes cash flows from financial investing activities. It is used in all external financial reporting (press releases) and in annual and interim results presentations.

\# In 2012 and 2011, the Burelle SA dividends were paid in full by Compagnie Plastic Omnium.

\## In 2012, dividends paid to other shareholders included €13,574 thousand (2011: €9,024 thousand) paid by Compagnie Plastic Omnium. Total dividends paid by the Company in 2012 therefore amounted to €33,566 thousand (2011: €22,545 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Plastic Omnium for the year ended 31 December 2012 were approved for publication by the Board of Directors on 26 February 2013. They will be submitted for approval at the Annual Shareholders' Meeting to be held on 25 April 2013.

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PRESENTATION OF THE GROUP

Compagnie Plastic Omnium, a company governed by French law, was set up in 1946. The bylaws stipulate that its term ends in 2017 until further extended. If the 12th resolution to be presented at the Annual Shareholders Meeting of 25 April 2013 is adopted, its term will be extended until 24 April 2112. The Company 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 (vehicle body components and modules, and fuel storage and distribution systems) and Environment (on-site waste handling and road signage for local authorities) – which account for 90.4% and 9.6% respectively of consolidated revenue.

Plastic Omnium shares have been traded on the Paris Stock Exchange since 1965. Listed on Eurolist in compartment A since 17 January 2013, they 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 56.09% of outstanding shares (59.66% excluding treasury stock) at 31 December 2012.

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1. 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 for use in the European Union at 31 December 2012, which are available at http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission. IFRSs include International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and interpretations published by the International Financial Reporting Interpretations Committee (IFRICs).

All of the standards and interpretations published by the IASB and applicable at 31 December 2012 have been adopted for use in the European Union at that date.

The accounting policies applied to prepare the 2012 financial statements are the same as those used in 2011, except for the adoption at 31 December 2012 of the amendment to IFRS 7 – Disclosures: Transfers of Financial Assets. This amendment had no material impact on the consolidated financial statements at 31 December 2012. Information about transfers of financial assets is presented in note 5.1.10.

The Group has not early adopted those standards, interpretations and amendments that are applicable for annual periods beginning on or after 1 January 2013, particularly the amendment to IAS 19 – Employee Benefits, which will be applicable from 1 January 2013. Under the amended standard, use of the corridor approach to recognize actuarial gains and losses is no longer allowed and the expected return on plan assets must be calculated using the discount rate applied to calculate the projected benefit obligation, and no longer the expected rate of return. As the Group already recognizes actuarial gains and losses in full in the balance sheet, and not by the corridor approach, the impact of this amendment will be limited (see note 5.2.6. h).

In addition, the new consolidation standards (IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements, and IFRS 12 – Disclosure of Interests in Other Entities) that are applicable from 1 January 2014, have not been early adopted. Their application will have an impact on the consolidated financial statements because joint ventures are currently consolidated by the proportionate method. Key figures for joint ventures are presented in note 7.3.3.

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 actual 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 concern:

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

- Discount rates for pension and other long-term benefit plans;

- The estimated long-term return on plan assets;

- Healthcare cost trends in the United States;

- Expected employee turnover and future salary increases.

- Asset impairment tests:

Impairment tests are performed notably on goodwill and automotive project development costs recognized as intangible assets. Recoverable amounts determined for these tests are based on estimates of fair value less costs to sell and value in use calculated by the discounted cash flows method. 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 parties, are proportionately consolidated, irrespective of the percentage of voting power 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 – Business Combinations, non-controlling interests in an acquiree may be measured either at the acquisition date fair value (i.e. including 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.

Transactions with non-controlling interests that do not result in control being acquired or lost are treated as equity transactions. Accordingly, when the Group's interest in a controlled entity is increased (or reduced), without control being acquired (or lost), the difference between the acquisition price (or disposal price) and the carrying amount of the acquired (sold) share of the subsidiary's net assets is recorded in equity.

This accounting treatment complies with IAS 27R – Consolidated and Separate Financial Statements, which has been applicable since 1 January 2010.

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 Group has two operating segments:

- "Automotive", which covers the design, manufacture and marketing of body components and modules, and fuel storage and distribution systems.
- "Environment", which covers products and services for local authorities, including Sulo Urban Systems waste sorting and management equipment and services, and Signature for road and highway signage.

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 also includes the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree. The previously held equity interest is measured at fair value through profit or loss.

Acquisition-related costs are 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 under "Translation reserve".

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) 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.

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 in "Other operating income and expense" for transactions related to operating activities, and in "Other financial income and expense" 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, 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

Automotive Division

Revenue generated during the project phase of automotive contracts (development work and production of tooling) is recognized when the criteria specified in IAS 18 paragraph 14 are met. The deciding factor in the Group's analysis is whether or not the customer has formally agreed to the price.

When a contractual agreement has been signed with the customer concerning the sale price of the tooling, the tooling is considered as having been sold and the related 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 of the model concerned. The amount recognized as revenue is determined based on the percentage of the total costs incurred on the project.

Development revenue billed on a time-spent basis is also recognized by the stage of completion method, for an amount determined based on the percentage of the total cost incurred, in accordance with IAS 18 paragraph 20.

If the final sale price has not been formally agreed (for example, where the customer finances the project by «development unit», with no volume guarantee), the revenue recognition criteria in IAS 18 paragraph 14 are not met. In this case, the tooling and/or development time are recognized in property, plant and equipment and/or intangible assets and depreciated and/or amortized over the life of the contract, with payments from the customer recognized in revenue over the period of series production.

Urban Systems Division

Most 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 market survey and equipment 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 there is objective evidence that the receivables are impaired. Their amount 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 work and tooling for which deferred payment terms have been agreed with the customer (for example, "development and tooling units" for which a specific unit price has been contractually guaranteed with the customer). These latter receivables, which are the subject of an asset financing agreement with the customer, 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 – Financial Instruments: Recognition and Measurement 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 non-current assets (property, plant and equipment and intangible assets), including goodwill.
- Translation differences, corresponding to the difference between the exchange rates used to account for operating receivables and payables and the rates 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 downsizing costs.

Amortization of contractual customer relationships acquired in business combinations is recognized as a separate component of operating margin.

Since 2010, the Group has presented operating margin before as well as after amortization of intangible assets acquired in business combinations.

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 before 2010.

1.12. Research tax credit

Certain research expenditure by Group subsidiaries qualifies for French tax credits. These credits are included in operating margin as a deduction from research and development costs (see notes 4.1 and 4.2).

1.13. Right to individual training (DIF)

The right to individual training (DIF) was introduced in France 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.

Rights are acquired at the rate of 20 hours per year, with an aggregate cap of 120 hours.

To date, no provision has been recognized for individual training rights, as the related costs are expected to generate future economic benefits for the Group. These costs are therefore expensed as incurred.

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.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

- *Automotive Division development costs*

Development costs covered by a customer payment guarantee are recognized based on the stage of completion validated by the customer. The revenue 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, based on the percentage of the total cost incurred up to that date, or, at the latest, on the first day of series production. Amounts received in the period prior to technical acceptance or the first day of series production are recorded under "Customer prepayments".

Development costs for "development units" not covered by a contractual volume undertaking or payment guarantee 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 Plastic Omnium Auto Inergy and Ford-Milan (Michigan) contractual customer relationships.

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

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. The Group has identified three CGUs:

- Automotive
- Sulo Urban Systems
- Signature

The Group has two reportable segments – Automotive and Environment (see note 1.5) and 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, as 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 2012, 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.

These assumptions are unchanged from 2011.

Discount rates are based on:

- An industry 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.

In 2012, the tests led to an impairment loss being recorded on the Signature goodwill (see notes 4.5 "Other operating income and expenses", 5.1.1 "Goodwill" and 5.1.2 "Intangible assets". Tests on the other groups of CGUs did not reveal any impairment of goodwill allocated to the CGUs. A 50 bps increase in the discount rate, or a 50 bps decrease in either the long-term growth rate or the operating margin rate, would not have had a material impact on the test results.

Negative goodwill is recorded in the income statement for the year of acquisition.

Goodwill is measured annually at cost, less any accumulated impairment losses. Impairment losses recognized on goodwill are irreversible.

1.17. Property, plant and equipment

Cost

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

Unrealized gains and losses on intra-group sales of property, plant and equipment are eliminated in consolidation.

Property, plant and equipment are subsequently measured using the cost model.

After initial recognition, property, industrial buildings and the related land are 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	7-12 years
Machining, finishing and other equipment	3-7 years
Containers (Plastic Omnium Environment)	8 years

In accordance with IAS 16 – Property, Plant and Equipment, each significant part of a property asset or major functional assembly, such as a paint line, press or blow-molding machine, 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 that are reclassified as investment property are accounted for in accordance with IAS 16 up to the reclassification date. Any difference between their carrying amount and their fair value on that date is accounted for as a revaluation in accordance with IAS 16. The properties are subsequently accounted for in accordance with IAS 40 – Investment Property.

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. The land and buildings are valued at the year-end by an independent valuer. Between two valuations the Group is notified by the valuer 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. In addition, it does not include the cost of any below normal capacity utilization.

At each balance sheet date, the gross value 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

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. Pension plans 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

The Group's defined benefit plans are mainly post-employment benefit plans, consisting 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, Switzerland and France.
- Plans for the payment of healthcare costs of retired employees, in the United States.

Provisions for pension and other post-retirement and long-term benefit obligations are calculated on an actuarial basis by the projected unit credit method in accordance with IAS 19 – Employee Benefits.

The 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 return on plan assets.

Changes in provisions for defined benefit obligations 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.

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

1.22. Government grants

Government grants are recognized as a liability in the balance sheet and correspond to grants to finance 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 it is established that the research and development programs will not be 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.

The proceeds from sales of treasury stock are recorded directly in equity and gains or losses on the sales therefore have no impact on 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 recognized and measured in accordance with IAS 32 – Financial Instruments: Presentation and IAS 39 – Financial Instruments: Recognition and Measurement.

Financial assets 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, with changes in fair value recognized directly in equity. An impairment loss is recognized when there is objective evidence of a prolonged decline in the recoverable amount of the assets below their cost. Impairment losses recognized on available-for-sale financial assets are irreversible.

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.

The effective portion of the change in fair value of instruments qualified as cash flow hedges is recognized in the statement of changes in equity and the ineffective portion is recognized in financial income or expense.

Changes in fair value of instruments that do not qualify for hedge accounting are recognized directly in the income statement.

1.27. Cash and cash equivalents

In accordance with IAS 7 – Statement of Cash Flows, cash and cash equivalents presented in the statement of cash flows are short-term, highly liquid investments that are readily convertible into known amounts of cash and 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 arising in the ordinary course of business, as these are considered to represent sources of financing. Cash equivalents correspond to the temporary investment of surplus cash in instruments with short maturities. They include marketable securities, units in money market mutual funds, and money market securities. 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 that are being held pending their sale.
- Assets or groups of assets (disposal groups) 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 (or disposal groups) classified as held for sale 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, disposal groups and operations may be classified in this category for more than a year only if they continue to meet the conditions set out in IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

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 reported as a separate line item entitled "Profit/(loss) from discontinued operations" in each of the years presented.

1.29. Income tax

In accordance with IAS 12 – Income Taxes, 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 when it is probable that sufficient taxable earnings will be generated to permit their utilization.

2. SIGNIFICANT EVENTS OF THE YEAR

2.1 End of the partnership with Eurovia

The Plastic Omnium and Eurovia groups unwound their cross-shareholdings on 21 March 2012, marking the end to their partnership in the area of road signage.

2.1.1 Buy-out of Eurovia's interest in Signature Vertical Holding

Plastic Omnium bought out Eurovia's 35% interest in Signature Vertical Holding (renamed Plastic Omnium Signalisation) for €28,200 thousand. The €16,372 thousand positive impact on equity attributable to owners of the parent is presented in the Consolidated Statement of Changes in Equity under "Changes in scope of consolidation" and the impact on cash and cash equivalents is presented in note 5.1.13.1.b Notes to the statement of cash flows – acquisitions of non-controlling interests.

2.1.2 Sale of companies and assets to Eurovia

For its part, Plastic Omnium sold to Eurovia:

- The French companies Farcor, Signature Traffic Systems and Sodilor owned through Signature Vertical Holding (renamed Plastic Omnium Signalisation).
- Its 35% interest in Euromark Holding (horizontal signage).
- Its subsidiary Signature Deutschland GmbH and Signature Deutschland GmbH's headquarters building.

At 31 December 2011, the agreement for the unwinding of the cross-shareholdings had already been signed, and the impact of the disposals was therefore reflected in the 2011 consolidated financial statements based on the estimated sale price (see note 4.5 to the consolidated financial statement at 31 December 2011). Following completion of the transaction, which was accounted for as if it had taken place on 1 January, an additional €747 thousand loss was recognized in the first-half 2012 accounts.

The impact on cash and cash equivalents is presented in note 5.1.13.2.a Notes to the statement of cash flows – Disposals of shares in subsidiaries and associates

2.2 Partnership agreement in Russia - DSK

In April 2012, the Group signed a partnership agreement with Russian company Detalstroykonstruktsiya (DSK), providing for the creation of a joint venture – DSK Plastic Omnium BV – to manufacture fuel systems and plastic fuel tanks for the Russian market.

The joint venture is 51%-owned by Plastic Omnium and 49% by DSK.

Manufacturing operations will be carried out by DSK Plastic Omnium Inergy, a wholly-owned subsidiary of DSK Plastic Omnium BV, using Inergy's plant in Stavrovo contributed by Plastic Omnium and a plant in Togliatti contributed by DSK.

The new company will supply fuel systems for Avtovaz in Togliatti, Ford in Saint Petersburg and Avtoframos in Moscow, as well as for future Nissan and Renault models to be produced in Russia.

The sale of a 49% interest in the assets of OOO Stavrovo Automotive Systems (Inergy Russia) and the acquisition of control of certain DSK assets led to the recognition of:

- A non-controlling interest, for €4,701 thousand.
- 100% of the fair value of the acquired assets, for €4,500 thousand.
- Provisional goodwill (see note 5.1.1).

DSK Plastic Omnium BV and DSK Plastic Omnium Inergy form part of the Plastic Omnium Auto Inergy Division in the Automotive segment.

2.3 Sale of shares in Chinese company Inergy Automotive Systems Manufacturing Beijing Co. Ltd, without loss of control

At the end of January 2012, Plastic Omnium signed a partnership agreement with Beijing Hainachuan Automotive Parts Co. Ltd (BHAP), a subsidiary of Beijing Automotive Industry Co. (BAIC), China's fourth largest carmaker, providing for the sale of a 40% interest in its local fuel systems subsidiary Inergy Automotive Systems Manufacturing Beijing Co. Ltd without any transfer of control. This business forms part of the Plastic Omnium Auto Inergy unit in the Automotive Division.

In accordance with IAS 27R – Consolidated and Separate Financial Statements, the transaction had no impact on profit but led to a €713 thousand negative impact on equity attributable to owners of the parent (reported on the line «Changes in scope of consolidation" in the consolidated statement of changes in equity.

2.4 Buy-out of non-controlling interests in Plastic Omnium Varroc Private Ltd

On 13 August 2012, the Group bought out the 40% interest held by its partner, Varroc Polymers Private Ltd, in the Plastic Omnium Varroc Private Ltd joint venture. The transaction, which was carried out through Plastic Omnium Auto Exterior, gives the Group 100% of the exterior components business conducted from a plant in Pune that manufactures bumpers for General Motors, Mahindra & Mahindra and Volkswagen.

This acquisition of non-controlling interests had no impact on the consolidation method applied to this company as it was already controlled by the Group. The impact of the transaction on consolidated equity attributable to owners of the parent was a negative €5,875 thousand.

2.5 Effect of acquisitions completed in 2011

Rotherm

On 9 May 2011, the Group acquired a 70% controlling interest in German company RMS Rotherm Maschinenbau GmbH, a manufacturer of underground waste containers. The purchase price allocation did not lead to any adjustments being made to the acquisition balance sheet and the goodwill of €4,306 thousand recorded in the balance sheet at 31 December 2011 was therefore unchanged at 31 December 2012.

Ford – Milan, Michigan

On 1 June 2011, the Group acquired the fuel system/plastic fuel tank manufacturing assets of Ford Motor Company's Automotive Components Holdings LLC subsidiary in Milan, Michigan.

The purchase price allocation was completed in 2012. This did not lead to any material adjustments to the provisional accounting at 31 December 2011.

In the same way as in 2011, the financing received from Ford for the construction of a new plant continued to be recognized by the percentage of completion method, net of tax, in "Other operating income" (see note 4.5 "Other operating income and expenses – Impact of acquisitions").

Similarly, expenditure on the plant construction project, net of financing received from Ford, continued to be recognized in the consolidated statement of cash flows under "Acquisitions of subsidiaries and associates" (see note 5.1.13.1. a).

Plastal Poland

On 29 December 2011, the Group acquired Plastal Poland's Automotive assets and liabilities, corresponding to two plants in Gliwice and Poznan.

The purchase price allocation was completed in 2012. The net impact of the adjustments recorded in the income statement was not material.

2.6. Disposal of assets and related liabilities classified as "held for sale"

In 2012, the main changes in "Assets held for sale/liabilities related to assets held for sale" were as follows:

The assets and liabilities of Farcor, Signature Traffic Systems, Sodilor and Signature Deutschland GmbH, the Group's interest in Euromark Holding and Signature's headquarters building in Germany (owned by Sulo Verwaltung und Technik GmbH) that were classified as "held for sale' at 31 December 2011, were sold on 21 March 2012 in connection with the unwinding of the partnership with Eurovia (see note 2.1.2).

At 31 December 2012, "Assets held for sale" corresponded solely to the Blenheim facility operated by Inergy Automotive Systems Canada Inc., part of the Automotive Division. The facility was sold on 18 January 2013 for CAD 1,650 thousand (€1,284 thousand based on the average 2012 exchange rate).

In 2011, the main changes in "Assets held for sale/liabilities related to assets held for sale" were as follows:

In 2011, the Group sold Sulo Verwaltung und Technik GmbH's Elsfleth and Heideloh facilities (Environment Division). The two facilities were classified as "Assets held for sale" in the balance sheet at 31 December 2010.

Assets held for sale and the related liabilities were as follows at 31 December 2011:

- Farcor, Signature Traffic Systems, Sodilor and Signature Deutschland GmbH, which were held for sale in connection with the unwinding of the partnership with Eurovia (see notes 2.1 and 4.5).
- The Group's interest in Euromark Holding, which has been written down in full (see notes 2.1 and 4.5).
- Signature's headquarters building in Germany, owned by Sulo Verwaltung und Technik GmbH.
- Inergy Automotive Systems Canada Inc.'s Blenheim plant (Automotive Division).

	31 December 2012		31 December 2011			
	Assets held for sale/ liabilities related to assets held for sale		Assets held for sale/liabilities related to assets held for sale			
(in thousands of euros)	Total	Blenheim	Total	Signature entities held for sale	Signature head-quarters building in Germany	Blenheim
Intangible assets (including goodwill)			**9,634**	9,634		
Land and land improvements			**1,138**	593	545	
Buildings, fixtures and fittings	**1,210**	1,210	**3,632**	816	1,583	1,233
Plant and equipment			**1,010**	1,010		
Deferred tax assets			**177**	177		
Inventories			**5,426**	5,426		
Trade and other receivables			**9,243**	9,243		
Current account advances			**10,533**	10,533		
Cash and cash equivalents			**776**	776		
Assets held for sale	**1,210**	**1,210**	**41,569**	**38,208**	**2,128**	**1,233**
Provisions for contingencies and charges			**371**	371		
Provisions for pensions and other post-employment benefits			**837**	837		
Government grants			**6**	6		
Deferred tax liabilities			**772**	772		
Current account advances			**1,876**	1,876		
Bank overdrafts			**17**	17		
Trade and other payables			**13,048**	13,048		
Liabilities related to assets held for sale			**16,927**	**16,927**	**-**	**-**
NET ASSETS HELD FOR SALE	**1,210**	**1,210**	**24,642**	**21,281**	**2,128**	**1,233**

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3. SEGMENT INFORMATION

3.1 Information by reportable segment

The following tables present data for each segment, with an "Unallocated items" column corresponding to inter-segment eliminations and amounts that are not allocated to a specific segment (for example, holding company activities). The data in this column are presented in order to reconcile segment information to the Group's financial statements. Finance costs and other financial income and expense, income tax expense and profits/(losses) 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 data by reportable segment

2012 *(in thousands of euros)*	**Automotive**	**Environment**	**Unallocated items***	**Consolidated total**
Sales to third parties	4,344,393	463,919	(2,141)	4,806,171
Sales between segments	(1,434)	(707)	2,141	-
Revenue	**4,342,959**	**463,212**	**-**	**4,806,171**
% of revenue	*90.4%*	*9.6%*		*100%*
Operating margin before amortization of intangible assets acquired in business combinations	**316,258**	**18,824**	**-**	**335,082**
% of segment revenue	*7.3%*	*4.1%*		*7.0%*
Amortization of intangible assets acquired in business combinations	(18,122)	-	-	(18,122)
Operating margin after amortization of intangible assets acquired in business combinations	**298,136**	**18,824**	**-**	**316,960**
% of segment revenue	*6.9%*	*4.1%*		*6.6%*
Other operating income	**13,643**	**1,522**	**-**	**15,165**
Other operating expenses	**(36,878)**	**(6,480)**	**-**	**(43,358)**
% of segment revenue	*-0.5%*	*-1.1%*		*-0.6 %*
Finance costs, net				(34,562)
Other financial income and expense, net				(10,632)
Share of profit/(loss) of associates				243
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX				**243,816**
Income tax				(62,313)
NET PROFIT FROM CONTINUING OPERATIONS				**181,503**
Net income from discontinued operations				-
Net profit				**181,503**

2011 *(in thousands of euros)*	**Automotive**	**Environment**	**Unallocated items***	**Consolidated total**
Sales to third parties	3,721,659	501,191	(2,440)	4,220,410
Sales between segments	(1,571)	(869)	2,440	-
Revenue	**3,720,088**	**500,322**	**-**	**4,220,410**
% of revenue	*88.1%*	*11.9%*		*100%*
Operating margin before amortization of intangible assets acquired in business combinations	**273,146**	**23,306**	**-**	**296,452**
% of segment revenue	*7.3%*	*4.7%*		*7.0%*
Amortization of intangible assets acquired in business combinations	(17,042)	-	-	(17,042)
Operating margin after amortization of intangible assets acquired in business combinations	**256,104**	**23,306**	**-**	**279,410**
% of segment revenue	*6.9%*	*4.7%*		*6.6%*
Other operating income	**54,332**	**1,739**	**-**	**56,071**
Other operating expenses	**(26,796)**	**(36,543)**	**-**	**(63,339)**
% of segment revenue	*0.7%*	*-7.0%*		*-0.2%*
Finance costs, net				(35,807)
Other financial income and expense, net				(6,330)
Share of profit/(loss) of associates				(551)
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX				**229,454**
Income tax				(58,086)
NET PROFIT FROM CONTINUING OPERATIONS				**171,368**
Net income from discontinued operations				-
Net profit				**171,368**

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

3.1.2 Consolidated balance sheet data by reportable segment

(in thousands of euros) *Net amounts*	**Automotive**	**Environment**	**Unallocated items**	**Consolidated total**
31 DECEMBER 2012				
Goodwill	185,377	147,188	2,960	335,525
Intangible assets	318,553	19,738	11,954	350,245
Property, plant and equipment	766,383	80,933	49,810	897,126
Investment property	-	-	15,200	15,200
Inventories	223,736	48,055	-	271,791
Trade receivables	494,808	64,959	2,208	561,975
Other receivables	176,913	12,245	14,850	204,008
Finance receivables* (C)	70,554	8,289	-	78,843
Current accounts and other financial assets (D)	(275,371)	18,254	280,605	23,488
Available-for-sale financial assets – FMEA 2 (F)	-	-	2,148	2,148
Hedging instruments (E)	-	-	314	314
Net cash and cash equivalents** (A)	207,333	12,047	101,845	321,225
Total segment assets	**2,168,286**	**411,708**	**481,894**	**3,061,888**
Borrowings (B)	106,014	17,158	692,668	815,840
Segment liabilities	**106,014**	**17,158**	**692,668**	**815,840**
Net segment debt = (B – A – C – D – E – F)	**103,498**	**(21,432)**	**307,756**	**389,822**
31 DECEMBER 2011				
Goodwill	183,772	157,079	2,960	343,811
Intangible assets	300,931	19,625	10,793	331,349
Property, plant and equipment	650,836	85,315	34,363	770,514
Investment property	-	-	18,355	18,355
Inventories	216,729	44,670	-	261,399
Trade receivables	360,035	76,013	3,620	439,668
Other receivables	175,261	14,661	17,049	206,971
Finance receivables* (C)	88,543	8,789	-	97,332
Current accounts and other financial assets (D)	(17,206)	15,451	30,741	28,986
Available-for-sale financial assets – FMEA 2 (F)	-	-	1,328	1,328
Hedging instruments (E)	-	-	2	2
Net cash and cash equivalents** (A)	122,942	15,257	22,002	160,201
Total segment assets	**2,081,843**	**436,860**	**141,213**	**2,659,916**
Borrowings (B)	164,924	18,583	575,661	759,168
Segment liabilities	**164,924**	**18,583**	**575,661**	**759,168**
NET SEGMENT DEBT = (B – A – C – D – E – F)	**(29,355)**	**(20,914)**	**521,588**	**471,319**

* At 31 December 2012, finance receivables included €38,807 thousand reported in the balance sheet under "Other non-current financial assets" and €40,036 thousand reported under "Finance receivables – current portion".
At 31 December 2011, finance receivables included €58,266 thousand reported in the balance sheet under "Other non-current financial assets" and €39,066 thousand reported under "Finance receivables – current portion".
See also note 5.2.7.d.

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

*** See note 5.2.7.a concerning Group net debt.

3.1.3 Other consolidated information by reportable segment

(in thousands of euros)	**Automotive**	**Environment**	**Unallocated item**	**Consolidated total**
2012				
Acquisitions of intangible assets	90,105	2,911	2,564	95,580
Capital expenditure *(including acquisitions of investment property)*	195,969	13,282	4,743	213,994
Depreciation and amortization expense*	172,716	19,289	3,835	195,840
2011				
Acquisitions of intangible assets	87,433	4,545	2,997	94,975
Capital expenditure *(including acquisitions of investment property)*	142,236	22,167	5,824	170,227
Depreciation and amortization expense*	160,474	21,710	3,525	185,709

* This item corresponds to depreciation, amortization and impairments of property, plant and equipment and intangible assets, including intangible assets acquired in business combinations.

3.2 Information by geographic region - Revenue

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

(in thousands of euros)	**2012**	**%**	**2011**	**%**
France	742,476	*15.4%*	801,280	*19.0%*
Western Europe excluding France	1,274,034	*26.6%*	1,240,602	*29.4%*
Eastern Europe	467,636	*9.7%*	357,373	*8.5%*
North America	1,312,529	*27.3%*	1,002,101	*23.7%*
Asia	763,339	*15.9%*	595,696	*14.1%*
South America	198,356	*4.1%*	182,154	*4.3%*
Africa	47,801	*1.0%*	41,204	*1.0%*
TOTAL	**4,806,171**	***100%***	**4,220,410**	***100%***

3.3 Automotive segment revenue by automobile manufacturer

(in thousands of euros)	2012			2011		
Automobile manufacturer	**Amount**	**% of total revenue from main manufacturers**	**% of total Automotive revenue**	**Amount**	**% of total revenue from main manufacturers**	**% of total Automotive revenue**
PSA Peugeot Citroën	598,638	*20.6%*	*13.8%*	636,924	*24.3%*	*17.1%*
Renault/Nissan	471,448	16.2%	*10.9%*	447,750	17.1%	*12.0%*
General Motors	755,227	*26.0%*	*17.4%*	630,254	*24.1%*	*16.9%*
BMW	445,018	*15.4%*	*10.2%*	387,926	*14.9%*	*10.5%*
*Volkswagen - Porsche**	634,005	*21.8%*	*14.6%*	513,519	*19.6%*	*13.8%*
Total – main manufacturers	**2,904,336**	***100%***	***66.9%***	**2,616,374**	***100%***	***70.3%***
Other	1,438,623		*33.1%*	1,103,714		*29.7%*
TOTAL AUTOMOTIVE REVENUE	**4,342,959**		***100%***	**3,720,088**		***100%***

* In the 2011 financial report, revenue from Volkswagen was reported on a separate line. In 2012, revenue from Volkswagen has been combined with that from Porsche as they belong to the same group and the 2011 figures have been re-analyzed on the same basis.

3.4 Non-current assets by geographic region

(in thousands of euros)	**France**	**Europe excluding France**	**North America**	**Asia**	**South America**	**Other***	**Total**
31 DECEMBER 2012							
Goodwill	201,112	107,625	22,623	4,165	-	-	**335,525**
Intangible assets	143,800	95,119	76,470	31,605	2,061	1,190	**350,245**
Property, plant and equipment	182,453	322,847	184,862	170,782	31,630	4,552	**897,126**
Including capital expenditure for the year	*44,987*	*74,725*	*30,718*	*60,998*	*2,265*	*301*	*213,994*
Investment property	15,200	-	-	-	-	-	**15,200**
TOTAL NON-CURRENT ASSETS	**542,565**	**525,591**	**283,955**	**206,552**	**33,691**	**5,742**	**1,598,096**

(in thousands of euros)	**France**	**Europe excluding France**	**North America**	**Asia**	**South America**	**Other***	**Total**
31 DECEMBER 2011							
Goodwill	211,113	105,434	23,068	4,196	-	-	**343,811**
Intangible assets	152,101	94,991	61,579	19,458	2,403	817	**331,349**
Property, plant and equipment	161,028	292,741	130,772	142,084	38,469	5,420	**770,514**
Including capital expenditure for the year	*31,064*	*72,792*	*11,159*	*41,689*	*12,337*	*1,187*	*170,227*
Investment property	18,355	-	-	-	-	**-**	**18,355**
TOTAL NON-CURRENT ASSETS	**542,597**	**493,166**	**215,419**	**165,738**	**40,872**	**6,237**	**1,464,029**

* "Other" corresponds to South African Companies.

3.5 Property, plant and equipment by category (excluding investment property)

Property, plant and equipment by category *(in thousands of euros)*	**Cost**	**Depreciation**	**Impairment**	**Carrying amount**
Property, plant and equipment owned outright	2,122,170	(1,261,483)	(1,730)	858,957
Owned property, plant and equipment leased under operating leases where the Group is lessor*	39,567	(32,363)	(179)	7,025
Property, plant and equipment leased under finance leases where the group is lessee#	39,580	(22,871)	(181)	16,528
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor*#	28,162	(13,546)	-	14,616
AT 31 DECEMBER 2012	**2,229,479**	**(1,330,263)**	**(2,090)**	**897,126**
Property, plant and equipment owned outright	1,924,120	(1,191,811)	(2,140)	730,169
Owned property, plant and equipment leased under operating leases where the Group is lessor*	45,408	(36,305)	(124)	8,979
Property, plant and equipment leased under finance leases where the group is lessee#	39,536	(21,677)	(168)	17,691
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor*#	25,254	(11,579)	-	13,675
AT 31 DECEMBER 2011	**2,034,318**	**(1,261,372)**	**(2,432)**	**770,514**

* The sum of "Owned property, plant and equipment leased under operating leases where the Group is lessor" and "Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor" corresponds to the value of "Property, plant and equipment leased under operating leases where the Group is lessor" (see corresponding sub-section of note 5.1.3).

See sub-section "Property, plant and equipment leased under finance leases where the Group is lessee" in note 5.1.3.

(in thousands of euros)	**Automotive**	**Environment**	**Unallocated items**	**Consolidated total**
2012				
Property, plant and equipment owned outright, net	749,855	59,292	49,810	858,957
Owned property, plant and equipment leased under operating leases where the Group is lessor, net	-	7,025	-	7,025
Property, plant and equipment leased under finance leases where the group is lessee, net	16,528	-	-	16,528
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor, net	-	14,616	-	14,616
PROPERTY, PLANT AND EQUIPMENT (EXCLUDING INVESTMENT PROPERTY), NET	**766,384**	**80,933**	**49,810**	**897,126**
2011				
Property, plant and equipment owned outright, net	633,138	62,661	34,370	730,169
Owned property, plant and equipment leased under operating leases where the Group is lessor, net	-	8,979	-	8,979
Property, plant and equipment leased under finance leases where the group is lessee, net	17,691	-	-	17,691
Property, plant and equipment leased under finance leases where the Group is lessee that has been sub-let to third parties under operating leases where the Group is lessor, net	-	13,675	-	13,675
PROPERTY, PLANT AND EQUIPMENT (EXCLUDING INVESTMENT PROPERTY), NET	**650,829**	**85,315**	**34,370**	**770,514**

4. NOTES TO THE INCOME STATEMENT

4.1 Research and development costs

The following table analyzes research and development expenditure for 2012 and 2011, as well as the percentage of revenue it represents.

(in thousands of euros)	**2012**	**%**	**2011**	**%**
Research and development costs	*(243,652)*	*-5.1%*	*(206,227)*	*-4.9%*
Of which capitalized development costs and research and development costs billed to customers	*146,138*	*3.0%*	*127,904*	*3.0%*
NET RESEARCH AND DEVELOPMENT COSTS	**(97,514)**	**-2.0%**	**(78,323)**	**-1.9%**

4.2 Cost of sales, development, selling and administrative costs

(in thousands of euros)	**2012**	**2011**
Cost of sales includes:		
Raw materials (purchases and changes in inventory)	(3,123,682)	(2,683,641)
Direct production outsourcing	(10,913)	(7,336)
Utilities and fluids	(86,770)	(75,695)
Employee benefits expense	(493,739)	(447,937)
Other production costs	(294,839)	(276,686)
Proceeds from the sale during the period of waste containers leased to customers under operating leases*	1,369	1,167
Carrying amount of waste containers leased to customers under operating leases that were sold during the period*	(1,388)	(957)
Depreciation	(118,251)	(124,540)
Provisions	9,561	9,320
TOTAL	**(4,118,652)**	**(3,606,305)**
Research and development costs include:		
Employee benefits expense	(120,165)	(96,938)
Amortization of capitalized development costs	(51,184)	(33,106)
Other	73,835	51,721
TOTAL	**(97,514)**	**(78,323)**
Selling costs include:		
Employee benefits expense	(40,555)	(40,466)
Depreciation and provisions	(1,510)	(194)
Other	(18,706)	(22,594)
TOTAL	**(60,771)**	**(63,254)**
Administrative costs include:		
Employee benefits expense	(112,359)	(100,455)
Other administrative expenses	(75,620)	(64,632)
Depreciation	(7,171)	(8,273)
Provisions	998	(2,716)
TOTAL	**(194,152)**	**(176,076)**

* *See "Gains/losses on disposals of non-current assets" in note 4.5.*

4.3 Employee benefits expense

(in thousands of euros)	**2012**	**2011**
Wages and salaries	(556,275)	(501,307)
Payroll taxes	(172,954)	(156,368)
Non-discretionary profit-sharing	(14,137)	(13,433)
Pension and other post-employment benefit costs	51	(392)
Share-based compensation	(1,220)	(2,224)
Other employee benefits expenses	(22,283)	(12,072)
Total employee benefits expense excluding temporary staff costs	**(766,818)**	**(685,796)**
Temporary staff costs	(62,660)	(68,474)
TOTAL EMPLOYEE BENEFITS EXPENSE INCLUDING TEMPORARY STAFF COSTS	**(829,478)**	**(754,270)**

4.4 Amortization of intangible assets acquired in business combinations

This item corresponds to the recurring impact of applying the acquisition method to Inergy (acquired in 2010) and Ford Milan (Michigan) (acquired in 2011).

(in thousands of euros)	**2012**	**2011**
Brands	(350)	(350)
Contractual customer relationships	(17,772)	(16,692)
TOTAL AMORTIZATION OF INTANGIBLE ASSETS ACQUIRED IN BUSINESS COMBINATIONS	**(18,122)**	**(17,042)**

4.5 Other operating income and expenses

(in thousands of euros)	2012	2011
Gains/(losses) on disposals of non-current assets#	(189)	(1,501)
Pre-start-up costs at new plants	(7,546)	(4,235)
Employee downsizing plans(1)	(31,371)	(7,490)
Impairment of non-current assets(2)	(11,294)	(29,008)
Provisions for charges(3)	(467)	(5,096)
Litigation(4)	7,449	1,568
Foreign exchange gains and losses on operating activities	(2,641)	(1,870)
Impact of acquisitions		
- Acquisition of Ford Milan (USA) and Plastal Poland (see note 2.5)	8,996	43,619
- Related fees and expenses	(1,994)	(1,248)
Asset revaluations(5)	9,499	-
Other(6)	1,365	(2,007)
TOTAL OPERATING INCOME AND EXPENSES, NET	**(28,193)**	**(7,268)**
of which total other operating income	**15,165**	**56,071**
of which total other operating expense	**(43,358)**	**(63,339)**

2012

(1): Employee downsizing plans
Downsizing plans mainly concerned the Automotive Division's plants in Eisenach-Thuringe (Germany), Compiègne-Laval (France), St Désirat (France) and Duncan (United States).

(2): Impairment of non-current assets
Impairment tests on goodwill (see note 1.16) led to the Signature goodwill being written down by €10 million to €47 million. The Signature companies operate in Western Europe. The impairment was due to a downward adjustment of short and medium-term revenue and profit forecasts.

(4): Litigation
In early 2012, the Paris Court of Appeal reduced the fine levied on Signature SA for a breach of competition rules by €8.5 million and this amount was refunded to the Group. The time-limit for the competition authorities to appeal this ruling has expired and the €8.5 million has therefore been treated as income for 2012.

(5): Asset revaluations
A building permit has been obtained for a plot of land owned by the Group in Lyon and a 12-year lease has been signed with a third party for the rental of the offices to be built on the plot. In light of these developments, the plot's carrying amount has been increased by €9.5 million (see note 5.1.4 "Investment property").

2011

The following impacts of the unwinding of the Eurovia partnership (see note 2.1 in the 2011 Annual Report) were recorded in 2011:

(2): Impairment of non-current assets
The following impairment losses were recorded:
– €15.4 million on the Signature companies reclassified as "Assets held for sale".
– €10.6 million on Plastic Omnium's 35% interest in Euromark Holding.

(3): Provisions for charges
A €2.2 million provision was set aside for indemnities included in the overall negotiations.

For the Group as a whole, other items are as follows for 2011 and 2012:

(6): The line "Other" in the above table includes the effects of unwinding the Eurovia partnership, most of which were accrued in the prior-period accounts.
As the partnership was unwound during first-half 2012, the provisions set aside since 2010 were reversed to offset the losses incurred on disposal of the entities and equity interests concerned. The net impact on profit for the period was a negative €747 thousand, breaking down as €672 thousand in losses on the disposal of entities and a €75 thousand loss on the sale of Signature Deutschland GmbH's headquarters building.

 # Gains/losses on disposals of non-current assets
Proceeds from disposals of property, plant and equipment and intangible assets in the statement of cash flows include proceeds from disposals of assets reported under "Other operating income and expenses" and proceeds from sales of waste containers leased to customers under operating leases reported under "Cost of sales" (see note 4.2).

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

	2012		2011	
(in thousands of euros)	**Disposal proceeds**	**Gain/loss**	**Disposal proceeds**	**Gain/loss**
Sales of waste containers included in operating margin	1,369	(19)	1,167	210
Total sales of waste containers included in operating margin (see note 4.2)	**1,369**	**(19)**	**1,167**	**210**
Disposals of intangible assets	1,068	1	4,517	99
Disposals of property, plant and equipment	17,942	(63)	6,982	(1,845)
Disposals of available-for-sale financial assets	2,001	(127)	745	245
Total disposals of property, plant and equipment, intangible assets and available-for-sale financial assets recorded in other operating income and expense (see footnote # to note 4.5)	**21,011**	**(189)**	**12,244**	**(1,501)**
Disposals of non-current financial assets (including the Eurovia transaction)	23,488	(38,015)	1,987	(1,032)
Total disposals of non-current financial assets (see footnote 6 to "Other" in note 4.5)	**23,488**	**(38,015)**	**1,987**	**(1,032)**
TOTAL	**45,868**	**(38,223)**	**15,398**	**(2,323)**

4.6 Finance costs and other financial income and expenses, net

(in thousands of euros)	**2012**	**2011**
Finance costs	(26,194)	(27,485)
Interest cost – post-employment benefit obligations*	(2,054)	(1,502)
Financing fees and commissions	(6,314)	(6,820)
Finance costs	**(34,562)**	**(35,807)**
Exchange gains or losses on financing activities	(1,908)	772
Losses on interest rate instruments**	(8,694)	(7,189)
Other	(30)	87
Other financial income and expense, net	**(10,632)**	**(6,330)**
TOTAL	**(45,194)**	**(42,137)**

* See note 5.2.6.e "Interest cost – pension obligations".

** See note 5.2.8.1.3 "Impact of hedging on the income statement".

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)	**2012**	**2011**
Current taxes	**(69,719)**	**(59,421)**
Current income tax (expense)/benefit	(63,572)	(56,227)
Tax (expense)/benefit on non-recurring items	(6,147)	(3,194)
Deferred taxes	**7,406**	**1,335**
Deferred tax (expense)/benefits on timing differences arising or reversing during the period	7,387	2,093
Effect of changes in tax rates or the introduction of new taxes	19	(758)
INCOME TAX EXPENSE RECORDED IN THE CONSOLIDATED INCOME STATEMENT	**(62,313)**	**(58,086)**

The effective rate of tax paid by the Group in 2012 was 25.6%, slightly above the previous year's effective rate of 25.3%. The tax proof is presented below.

4.7.2 Tax proof

(in thousands of euros)	**2012**	**2011**
Consolidated profit before tax	**243,816**	**229,454**
Theoretical tax at French standard tax rate	(85,251)	(80,492)
Impact of differences in foreign tax rates	9,281	7,966
Effect on opening deferred taxes of changes in tax rates	19	758
Recognition and utilization of previously unrecognized tax loss carryforwards	18,420	27,061
Unrecognized tax loss carryforwards and other unrecognized tax assets	(13,374)	(21,784)
Tax credits and other tax savings	15,151	15,401
Non-deductible expenses and non-taxable income	(7,775)	(5,028)
Other	1,216	(1,968)
Tax at the effective rate	**(62,313)**	**(58,086)**
Effective tax rate	*25.6%*	*25.3%*

In 2012, actual income tax expense was €62 million compared with theoretical tax expense of €85 million at the French standard rate. The French standard rate is considered to be 35% due to the Group's tax position in France, although the actual rate is 36.1%,

The difference between actual income tax expense and theoretical income tax expense was attributable:

- for €15 million to the use of specific tax reductions or credits, mainly in the United States, Asia and France, and
- for €9 million to the impact of lower foreign tax rates, particularly in Eastern Europe and Asia.
- The impact of i) unrecognized deferred tax assets for tax loss carryforwards and other items generated during the year less ii) unrecognized deferred tax assets generated in prior years and used or recognized during the year was €5 million.

4.8 Earnings per share and earnings per share from continuing operations

Net profit attributable to owners of the parent	**2012**	**2011**
Basic earnings per share (in €)	3.64	3.44
Diluted earnings per share (in €)	3.57	3.30
Earnings per share from continuing operations, attributable to owners of the parent	**2012**	**2011**
Basic earnings per share from continuing operations (in €)	3.64	3.44
Diluted earnings per share from continuing operations (in €)	3.57	3.30
Weighted average number of ordinary shares outstanding	**51,659,007**	**52,583,797**
- Treasury stock	(4,052,739)	(4,742,107)
Weighted average number of ordinary shares used to calculate basic earnings per share	**47,606,268**	**47,841,690**
- Impact of dilutive instruments (stock options)	1,001,076	2,035,380
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARE	**48,607,344**	**49,877,071**

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5. NOTES TO THE BALANCE SHEET

5.1 Assets

5.1.1 Goodwill

GOODWILL *(in thousands of euros)*	**Gross value**	**Impairment**	**Carrying amount**
At 1 January 2011	**362,549**	**0**	**362,549**
RMS Rotherm acquisition*	4,306	-	4,306
Cancellation of Plastic Omnium Urban Systems Pty goodwill (divested)	(406)	-	(406)
Adjustment to Redondela goodwill**	(300)	-	(300)
Adjustment to Plastic Omnium Auto Inergy goodwill**	294	-	294
Dissolved company	19	-	19
Reclassification of goodwill on Signature companies classified as held for sale***	(23,835)	-	(23,835)
Translation adjustment	1,184	-	1,184
At 31 December 2011	**343,811**	**0**	**343,811**
Acquisition of control of DSK****	2,081	-	2,081
Impairment of Signature goodwill#	-	(10,000)	(10,000)
Translation adjustment	(367)	-	(367)
AT 31 DECEMBER 2012	**345,525**	**(10,000)**	**335,525**

* See Note 2.5 “Effect of acquisitions completed in 2011 - Rotherm”.

** Companies acquired in 2010 for which goodwill was adjustable up until 31 December 2011.

*** See note 2.6. on assets held for sale (Sodilor, Farcor, Signature Traffic Systems and Signature Deutschland GmbH) and related liabilities.

**** See note 2.2 “Partnership agreement in Russia – DSK”.

\# See note 1.16 “Goodwill and impairment tests” and the item “Impairment of non-current assets” in note 4.5 “Other operating income and expenses”

Goodwill breaks down as follows by reportable segment:

GOODWILL BY REPORTABLE SEGMENT *(in thousands of euros)*	**Gross value**	**Impairment**	**Carrying amount**
Automotive	185,377	-	185,377
Environment	157,188	(10,000)	147,188
Unallocated*	2,960	-	2,960
AT 31 DECEMBER 2012	**345,525**	**(10,000)**	**335,525**
Automotive	183,772	-	183,772
Environment	157,079	-	157,079
Unallocated*	2,960	-	2,960
At 31 December 2011	**343,811**	**0**	**343,811**

* “Unallocated” corresponds to goodwill on the Group’s holding companies.

5.1.2 Intangible assets

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Carrying amount at 1 January 2012	**343,811**	**27,684**	**11,402**	**177,311**	**109,339**	**5,613**	**675,160**
Acquisitions	-	1,041	3,180	90,329	-	1,030	95,580
Disposals - net	-	-	-	(714)	-	(353)	(1,067)
Companies consolidated for the first time	2,081	-	-	-	-	-	2,081
Reclassifications	-	672	3,871	(5,426)	-	118	(765)
Amortization for the period	-	(2,065)	(5,743)	(45,704)	(17,772)	(2,547)	(73,831)
Impairments recognized and reversed	(10,000)	-	-	-	-	-	(10,000)
Translation adjustment	(367)	13	(76)	(696)	(364)	102	(1,388)
CARRYING AMOUNT AT 31 DECEMBER 2012	**335,525**	**27,345**	**12,634**	**215,100**	**91,203**	**3,964**	**685,770**

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Carrying amount at 1 January 2011	**362,549**	**29,061**	**12,341**	**135,673**	**102,857**	**4,968**	**647,449**
Acquisitions	-	847	4,435	88,476	-	1,217	94,975
Disposals - net	-	(1)	(1)	(4,417)	-	-	(4,419)
Companies consolidated for the first time	4,306	-	533	1,543	21,634	954	28,970
Other changes in scope of consolidation	(393)	-	-	(2)	-	-	(395)
Reclassifications*	(23,835)	(127)	353	(8)	-	(699)	(24,316)
Amortization for the period	-	(2,090)	(6,242)	(44,305)	(16,692)	(1,125)	(70,454)
Impairments recognized and reversed	-	-	-	34	-	-	34
Translation adjustment	1,184	(6)	(17)	317	1,540	298	3,316
CARRYING AMOUNT AT 31 DECEMBER 2011	**343,811**	**27,684**	**11,402**	**177,311**	**109,339**	**5,613**	**675,160**

* Goodwill on the Signature vertical signage business reclassified in "Assets held for sale" at 31 December 2011 (see notes 2.6 and 5.1.1).

Movements for 2012 primarily concerned the €10 million impairment loss recognized on Signature goodwill (see the item "Impairment of non-current assets" in note 4.5 "Other operating income and expenses") and the increase in development costs capitalized by the Automotive Division.

Movements for 2011 corresponded mainly to the following:

Contractual customer relationships:

Recognition of contractual customer relationships on the Ford Milan business combination for €21.6 million, amortized over nine years.

Reclassifications:

Reclassification as "Assets held for sale" of goodwill related to Sodilor, Farcor, Signature Traffic Systems and Signature Deutschland GmbH (see note 2.6).

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Analysis of carrying amount at 1 January 2012							
Cost	343,811	41,547	76,763	361,183	131,269	12,146	966,719
Accumulated amortization	-	(13,738)	(65,360)	(183,872)	(21,930)	(6,534)	(291,434)
Accumulated impairment	-	(125)	-	-	-	-	(125)
Carrying amount at 1 January 2012	**343,811**	**27,684**	**11,403**	**177,311**	**109,339**	**5,612**	**675,160**
Analysis of carrying amount at 31 December 2012							
Cost	345,525	40,736	85,555	428,522	130,819	11,100	1,042,257
Accumulated amortization	-	(13,266)	(72,921)	(213,422)	(39,616)	(7,137)	(346,362)
Accumulated impairment	(10,000)	(125)	-	-	-	-	(10,125)
CARRYING AMOUNT AT 31 DECEMBER 2012	**335,525**	**27,345**	**12,634**	**215,100**	**91,203**	**3,963**	**685,770**

(in thousands of euros)	Goodwill	Patents and licenses	Software	Development costs	Contractual customer relationships	Other	Total
Analysis of carrying amount at 1 January 2011							
Cost	362,549	41,181	75,051	282,610	108,000	10,727	880,118
Accumulated amortization	-	(11,995)	(62,710)	(146,903)	(5,143)	(5,759)	(232,510)
Accumulated impairment	-	(125)	-	(34)	-	-	(159)
Carrying amount at 1 January 2011	**362,549**	**29,061**	**12,341**	**135,673**	**102,857**	**4,968**	**647,449**
Analysis of carrying amount at 31 December 2011							
Cost	343,811	41,547	76,763	361,183	131,269	12,146	966,719
Accumulated amortization	-	(13,738)	(65,360)	(183,872)	(21,930)	(6,534)	(291,434)
Accumulated impairment	-	(125)	-	-	-	-	(125)
CARRYING AMOUNT AT 31 DECEMBER 2011	**343,811**	**27,684**	**11,403**	**177,311**	**109,339**	**5,612**	**675,160**

5.1.3 Property, plant and equipment excluding investment property

(in thousands of euros)	Land at cost	Land at valuation#	Buildings at cost	Buildings at valuation#	Technical equipment and tooling	Assets under construction	Other	Total
Carrying amount at 1 January 2012	**55,226**	**1,356**	**227,445**	**-**	**278,687**	**103,451**	**104,349**	**770,514**
Acquisitions*	1,792	-	36,361	-	14,945	131,057	29,839	213,994
Disposals	(60)	-	(733)	-	(16,331)	-	(2,268)	(19,392)
Changes in scope of consolidation	-	-	-	-	-	67	-	67
Reclassifications**	4,624	(1,856)	8,240	14,010	100,965	(80,770)	16,358	61,571
Revaluations	-	500	-	-	-	-	-	500
Impairments recognized and reversed	-	-	(558)	-	(119)	-	(121)	(798)
Depreciation for the period	(1,009)	-	(15,926)	(265)	(72,186)	-	(31,825)	(121,211)
Translation adjustment	(155)	-	(2,440)	-	(2,476)	(1,562)	(1,486)	(8,119)
CARRYING AMOUNT AT 31 DECEMBER 2012	**60,418**	**0**	**252,389**	**13,745**	**303,485**	**152,243**	**114,846**	**897,126**

\# Land and buildings that are periodically revalued.

* In 2012, acquisitions of property, plant and equipment reported in the statement of cash flows correspond to acquisitions of property, plant and equipment excluding investment property for €213,994 thousand.

** At 31 December 2012:

- A plot of land previously used by the Group was reclassified as "Investment property" following the decision to construct an office building on the land that will be leased to third parties (see note 5.1.4).Prior to its reclassification as "Investment property", the land was carried in the balance sheet for €2.4 million, corresponding to its carrying amount of €1.9 million at 31 December 2011 plus a €0.5 million revaluation adjustment recorded in 2012 through equity.
- The office building in Nanterre classified as "Investment property" at 31 December 2011 was reclassified as "Property, plant and equipment" following the Group's decision to use the building for its own needs.
- The property was valued by an independent expert at €17.5 million as of end-2012, breaking down as €14 million for the building and €3.5 million for the land. The appraisal value and the breakdown between the building and the land were unchanged from end-2011.

(in thousands of euros)	Land at cost	Land at valuation#	Buildings at cost	Technical equipment and tooling	Assets under construc-tion	Other	Total
Carrying amount at 1 January 2011	**53,604**	**1,356**	**228,250**	**241,700**	**43,713**	**104,241**	**672,865**
Acquisitions*	2,124	-	8,069	63,500	56,672	39,863	170,227
Disposals	(857)	-	(3,697)	(3,517)	-	(1,988)	(10,059)
Changes in scope of consolidation	1,998	-	7,844	17,970	23,550	3,382	54,744
Companies removed from the scope of consolidation	-	-	(247)	-	(45)	(62)	(354)
Reclassifications	(942)	-	2,514	20,307	(23,230)	(3,139)	(4,490)
Revaluations	31	-	444	-	-	-	475
Impairments recognized and reversed	-	-	(1,138)	(126)	-	96	(1,168)
Depreciation for the period	(612)	-	(14,493)	(62,722)	-	(36,294)	(114,121)
Translation adjustment	(120)	-	(101)	1,575	2,791	(1,750)	2,395
CARRYING AMOUNT AT 31 DECEMBER 2011	**55,226**	**1,356**	**227,445**	**278,687**	**103,451**	**104,349**	**770,514**

* In 2011, the €172,028 thousand in acquisitions of property, plant and equipment reported in the statement of cash flows corresponds to acquisitions of property, plant and equipment excluding investment property for €171,663 thousand and acquisitions of investment property for €365 thousand.

\# Land and buildings that are periodically revalued.

(in thousands of euros)	**Land**	**Buildings**	**Technical equipment and tooling**	**Assets under construction**	**Other**	**Total**
Analysis of carrying amount at 1 January 2012						
Cost	60,530	387,455	1,069,398	103,451	413,484	2,034,318
Accumulated depreciation	(3,948)	(158,872)	(789,541)	-	(309,011)	(1,261,372)
Accumulated impairment	-	(1,138)	(1,170)	-	(124)	(2,432)
Carrying amount at 1 January 2012	**56,582**	**227,445**	**278,687**	**103,451**	**104,349**	**770,514**
Analysis of carrying amount at 31 December 2011						
Cost	66,361	439,336	1,138,064	152,243	433,475	2,229,479
Accumulated depreciation	(5,943)	(172,646)	(833,290)	-	(318,384)	(1,330,263)
Accumulated impairment	-	(556)	(1,289)	-	(245)	(2,090)
CARRYING AMOUNT AT 31 DECEMBER 2012	**60,418**	**266,134**	**303,485**	**152,243**	**114,846**	**897,126**

(in thousands of euros)	**Land**	**Buildings**	**Technical equipment and tooling**	**Assets under construction**	**Other**	**Total**
Analysis of carrying amount at 1 January 2011						
Cost	58,581	378,125	971,328	43,713	413,507	1,865,255
Accumulated depreciation	(3,621)	(149,875)	(728,584)	-	(309,046)	(1,191,127)
Accumulated impairment	-	-	(1,044)	-	(220)	(1,264)
Carrying amount at 1 january 2011	**54,960**	**228,250**	**241,700**	**43,713**	**104,241**	**672,865**
Analysis of carrying amount at 31 December 2011						
Cost	60,530	387,455	1,069,398	103,451	413,484	2,034,318
Accumulated depreciation	(3,948)	(158,872)	(789,541)	-	(309,011)	(1,261,372)
Accumulated impairment	-	(1 138)	(1 170)	-	(124)	(2,432)
CARRYING AMOUNT AT 31 DECEMBER 2011	**56,582**	**227,445**	**278,687**	**103,451**	**104,349**	**770,514**

Property, plant and equipment leased under operating leases where the Group is lessor

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Cost	67,729	70,662
Accumulated depreciation	(45,909)	(47,884)
Accumulated impairment	(179)	(124)
Of which net depreciation for the year	*(5,290)*	*(5,845)*
Of which net impairment for the year	*(55)*	*96*
ACCUMULATED DEPRECIATION AND IMPAIRMENT	**21,641**	**22,654**

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

• **Minimum lease payments receivable under non-cancelable operating leases and/or lease-maintenance contracts**

(in thousands of euros)	31 December 2012	31 December 2011
Due within one year	50,208	51,640
Due in one to five years	125,404	127,617
Due beyond five years	66,202	70,613
TOTAL	**241,815**	**249,870**

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

These assets, which are included in the tables above on property, plant and equipment, correspond to plants, research and development centers and production equipment.

• **Changes in carrying amounts**

(in thousands of euros)	Land and buildings	Technical equipment and tooling	Total at 31 December 2012
Cost	39,134	28,608	67,742
Accumulated depreciation and impairment	(22,545)	(14,053)	(36,598)
CARRYING AMOUNT*	**16,589**	**14,555**	**31,144**

(in thousands of euros)	Land and buildings	Technical equipment and tooling	Total at 31 December 2011
Cost	38,983	25,807	64,790
Accumulated depreciation and impairment	(21,178)	(12,246)	(33,424)
CARRYING AMOUNT*	**17,805**	**13,561**	**31,366**

* See note 3.5 "Property plant and equipment by category (excluding investment property)".

• **Changes in lease payments and present values**

(in thousands of euros)	Carrying amount of minimum future lease payments at 31 December 2012	Discount value 31 December 2012
Due within one year	9,565	8,781
Due in one to five years	14,099	13,293
Due beyond five years	-	-
TOTAL	**23,664**	**22,074**

(in thousands of euros)	Carrying amount of minimum future lease payments at 31 December 2011	Discount value 31 December 2011
Due within one year	8,159	7,170
Due in one to five years	21,009	19,045
Due beyond five years	921	873
TOTAL	**30,089**	**27,088**

5.1.4 Investment property

At 31 December 2011, the main investment property was an office building in Nanterre. During the second half of 2012, the property was reclassified as "Property, plant and equipment" following the Group's decision to use it for its own needs (see note 5.1.3.).The land on which the property is built continued to be classified as "Investment property" at 31 December 2012, for an amount of €2.5 million.

The Group also decided during the year to construct a building on a plot of land that it owns in Lyon-Gerland. Following this decision, the land was reclassified from "Property, plant and equipment at cost" to "Investment property" (see note 5.1.3).

At 31 December 2012, the land was revalued at €12.7 million based on the results of an independent valuation. The increase of €9.5 million compared with its carrying amount at the previous year-end is due to a building permit obtained during the year and a 12-year lease signed with a third party on the future offices.

(in thousands of euros)	**Total**	**Land**	**Building**
Fair value at 31 December 2011	18,355	4,345	14,010
Reclassification as "Owner-occupied property"	(15,000)	(990)	(14,010)
Reclassification of land as "Investment property"	2,346	2,346	-
Revaluation of Lyon Gerland land at fair value	9,499	9,499	-
FAIR VALUE AT 31 DECEMBER 2012	**15,200**	**15,200**	**0**
(in thousands of euros)	**Total**	**Land**	**Building**
Fair value at 31 December 2010	18,355	6,522	11,833
Acquisitions	**-**	-	-
Fair value adjustment based on independent valuations	**-**	(2,177)	2,177
FAIR VALUE AT 31 DECEMBER 2011	**18,355**	**4,345**	**14,010**

5.1.5 Investments in associates

At 31 December 2012, investments in associates corresponded to two Chinese joint ventures, Chengdu Faway Yanfeng Plastic Omnium (24.48%-owned) and Dongfeng Plastic Omnium Automotive Exterior Systems Co Ltd (24.95%-owned).

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Interest in Chengdu Faway Yanfeng Plastic Omnium	4,561	4,043
Interest in Dongfeng Plastic Omnium Automotive Exterior Systems Co Ltd	1,721	393
TOTAL INVESTMENTS IN ASSOCIATES	**6,282**	**4,436**

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.

Balance sheet and income statement data for associates on a 100% basis

(in thousands of euros)	31 December 2012	31 December 2011
Non-current assets	23,195	16,813
Current assets	14,514	6,075
Total assets	**37,709**	**22,888**
Equity – Yanfeng and Faway's interest in Chengdu Faway Yanfeng Plastic Omnium	14,070	12,474
Equity – Yanfeng and Hongtai's interest in Dongfeng Plastic Omnium Automotive Exterior Systems Co Ltd	5,176	1,181
Equity attributable to Plastic Omnium	6,282	4,436
Non-current liabilities	575	590
Current liabilities	11,606	4,207
Total equity and liabilities	**37,709**	**22,888**
Revenue	21,427	539
Profit/Loss – Yanfeng and Faway's share of the profit (loss) of Chengdu Faway Yanfeng Plastic Omnium	1,714	(1,258)
Loss/(Profit) – Yanfeng and Hongtai's share of the loss (profit) of Dongfeng Plastic Omnium Automotive Exterior Systems Co Ltd	(940)	(430)
Profit/Loss attributable to Plastic Omnium	243	(551)

5.1.6 Available-for-sale financial assets

This item corresponds to shares in non-material shell or dormant companies and the Group's contribution to the "FMEA 2" Tier 2 Automotive OEM Modernization Fund.

(in thousands of euros)	31 December 2012	31 December 2011
Shell companies and dormant companies	586	624
Contribution to the "FMEA 2" fund*	2,148	1,328
AVAILABLE-FOR-SALE FINANCIAL ASSETS	**2,734**	**1,952**

* In note 5.2.7.d "Net debt", FMEA 2 contributions are included in long-term financial receivables.

5.1.7 Other non-current financial assets

(in thousands of euros)	31 December 2012	31 December 2011
Loans	109	15
Deposits and bonds	15,548	17,209
Other receivables (see note 6.4.1)	6,054	6,048
Long-term financial receivables (see note 5.2.7.d)	**21,711**	**23,272**
Finance receivables related to Environment finance leases (see note 6.4.1)	6,674	7,269
Finance receivables related to Automotive contracts (see note 6.4.1)	32,133	50,997
Long-term finance receivables (see note 5.2.7.d)	**38,807**	**58,266**
TOTAL	**60,518**	**81,538**

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

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

5.1.8 Inventories

(in thousands of euros)		31 December 2012		31 December 2011	
Raw materials and supplies					
	Cost	*100,615*		*90,877*	
	Net realizable value		95,464		85,681
Molds, tooling and engineering					
	Cost	*86,880*		*91,860*	
	Net realizable value		86,880		91,807
Other work in progress					
	Cost	*1,433*		*1,218*	
	Net realizable value		1,404		1,203
Maintenance inventories					
	Cost	*25,561*		*19,584*	
	Net realizable value		20,249		15,239
Merchandise					
	Cost	*7,471*		*5,521*	
	Net realizable value		6,878		4,782
Semi-finished products					
	Cost	*22,642*		*20,757*	
	Net realizable value		21,203		19,793
Finished products					
	Cost	*42,319*		*45,835*	
	Net realizable value		39,713		42,894
TOTAL INVENTORIES AT THE LOWER OF COST AND NET REALIZABLE VALUE			**271,791**		**261,399**

5.1.9 Short-term financial receivables

	31 December 2012		31 December 2011	
(in thousands of euros)	Undiscounted value	Carrying amount	Undiscounted value	Carrying amount
Finance receivables related to Environment finance leases	*1,941*	*1,615*	*1,999*	*1,519*
Finance receivables related to Automotive contracts	*38,436*	*38,421*	*37,994*	*37,547*
Short-term finance receivables#	40,377	40,036	39,993	39,066
Other short-term financial receivables##	1,777	1,777	5,714	5,714
Of which current accounts	*1,205*	*1,205*	*2,927*	*2,927*
Of which other	*572*	*572*	*2,787*	*2,787*
TOTAL SHORT-TERM FINANCIAL RECEIVABLES	**42,154**	**41,813**	**45,707**	**44,780**

See note 5.2.7.d "Short-term finance receivables".

See note 5.2.7.d "Other short-term financial receivables".

5.1.10 Trade and other receivables

a - Sales of receivables

Compagnie Plastic Omnium and some of its European and American subsidiaries have set up receivables sales programs with French banks with an average duration in excess of two years.

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

Derecognized sold receivables totaled €201 million at 31 December 2012, compared with €192 million at 31 December 2011.

- One program does not transfer substantially all the risks and rewards of ownership to the buyer and the sold receivables therefore continue to be carried in the balance sheet, for €15 million.

b - Trade receivables – cost, impairment and carrying amounts

	31 December 2012			31 December 2011		
(in thousands of euros)	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
Trade receivables	568,186	(6,211)	561,975	444,666	(4,998)	439,668
TRADE RECEIVABLES	**568,186**	**(6,211)**	**561,975**	**444,666**	**(4,998)**	**439,668**

There were no identified material doubtful receivables at 31 December 2012 that were not covered by provisions.

c - Other receivables

(in thousands of euros)	31 December 2012	31 December 2011
Sundry receivables	72,387	87,967
Prepayments to suppliers of tooling and prepaid development costs	61,380	52,194
Prepaid and recoverable income taxes	37,275	37,853
Other prepaid and recoverable taxes	26,659	24,312
Employee advances	3,792	1,168
Prepayments to suppliers of non-current assets	2,515	3,477
OTHER RECEIVABLES	**204,008**	**206,971**

d - Trade and other receivables by currency

		Receivables at 31 December 2012			Receivables at 31 December 2011		
Foreign currency, in thousands		**Local currency**	**Euro**	**%**	**Local currency**	**Euro**	**%**
EUR	Euro	450,628	450,628	59%	327,582	327,582	51%
USD	US dollar	143,701	108,914	14%	175,106	135,332	21%
GBP	Pound sterling	10,482	12,844	2%	8,540	10,223	2%
CHF	Swiss franc	13,457	11,147	1%	10,451	8,597	1%
CNY	Chinese yuan	614,914	74,801	10%	692,233	84,845	13%
Other	Other currencies		107,649	14%		80,060	12%
TOTAL			**765,983**	**100%**		**646,639**	**100%**
Of which:							
Trade receivables			*561,975*	*73%*		*439,668*	*68%*
Other receivables			*204,008*	*27%*		*206,971*	*32%*

The sensitivity of trade receivables to changes in exchange rates is not analyzed, as more than half of these receivables are in euros and the Group's net exposure (trade receivables – trade payables, see note 5.2.9.c) is not material.

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 of sufficient taxable earnings being generated to permit their utilization. Given the prevailing 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.

Recognized deferred taxes relate to the following items:

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Intangible assets	(28,083)	(15,153)
Post-employment benefit obligations	27,317	19,694
Provisions	26,990	14,289
Financial instruments	7,602	3,870
Tax loss carryforwards and tax credits	84,580	81,612
Other	(32,082)	(23,272)
Impairment of deferred tax assets	(67,368)	(74,661)
TOTAL	**18,956**	**6,379**
Of which:		
Deferred tax assets	*74,871*	*58,473*
Deferred tax liabilities	*55,915*	*52,094*

Unrecognized deferred tax assets on tax loss carryforwards amounted to €51 million at 31 December 2012 versus €59.4 million at 31 December 2011, as follows:

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Evergreen tax loss carryforwards	45,841	52,835
Tax loss carryforwards available for more than 5 years	2,318	3,250
Tax loss carryforwards available for up to 5 years	770	720
Tax loss carryforwards available for up to 4 years	279	-
Tax loss carryforwards available for up to 3 years	308	1,557
Tax loss carryforwards available for less than 3 years	1,536	1,041
TOTAL	**51,052**	**59,403**

The decrease in 2012 primarily reflects the recognition during the year of previously unrecognized deferred tax assets, notably in France.

5.1.12 Cash and cash equivalents

a - Cash and cash equivalents – gross

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Cash at bank and in hand	265,461	162,966
Short-term deposits	62,628	41,570
TOTAL CASH AND CASH EQUIVALENTS ON THE BALANCE SHEET	**328,089**	**204,536**

Cash and cash equivalents break down as follows:

(in thousands of euros)	**31 December 2012**	**31 December 2011 On a comparable basis with 2012**
Cash and cash equivalents of joint ventures	42,378	38,886
Cash and cash equivalents of the Group's captive reinsurance company	41,956	37,697
Cash and cash equivalents in countries with exchange controls on remittances and transfers*	93,120	41,103
Unrestricted cash and cash equivalents	150,635	86,850
TOTAL	**328,089**	**204,536**

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

* At 31 December 2012, the "countries with exchange controls on remittances and transfers" were Brazil, China, India, Chile and Argentina. Until the end of 2011, the only country included in this category was Brazil.

For information, the corresponding table in the 2011 financial report was as follows:

(in thousands of euros)	**31 December 2011 As reported**
Cash and cash equivalents of joint ventures	38,886
Cash and cash equivalents of the Group's captive reinsurance company	37,697
Cash and cash equivalents in countries with exchange controls on remittances and transfers	7,529
Unrestricted cash and cash equivalents	120,424
TOTAL	**204,536**

b - Net cash and cash equivalents at 31 December

(in thousands of euros)	**2012**	**2011**
Cash and cash equivalents	328,089	204,536
Short-term bank loans and overdrafts	(6,864)	(44,335)
NET CASH AND CASH EQUIVALENTS AT 31 DECEMBER AS RECORDED IN THE STATEMENT OF CASH FLOWS	**321,225**	**160,201**

5.1.13 Statement of cash flows Acquisitions and disposals of non-current financial assets and non-controlling interests

5.1.13.1 Acquisitions of shares in subsidiaries and associates and non-controlling interests

These investments are broken down between:

- Acquisitions of subsidiaries and associates and investments leading to a change of control (see "Cash flows from financial investing activities" in the statement of cash flows)
- Buy-outs of non-controlling interests (see "Cash flows from financial investing activities" in the statement of cash flows)

Details are as follows:

a - Acquisitions of shares in subsidiaries and associates and investments leading to a change of control

In 2012, these investments totaled €26,396 thousand (see note 2 "Significant events of the year" and "Cash flows from financial investing activities" in the statement of cash flows) as follows:

- Net investment in Ford Milan (Michigan) for €22,654 thousand.

- Payment of a control premium under the partnership agreement with Russia-based Detalstroykonstruktsiya in connection with the creation of DSK Plastic Omnium BV, for €2,081 thousand.
- Participation in a rights issue by Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd, an associated company accounted for by the equity method, for €1,661 thousand.

In 2011, €31,563 thousand was invested, corresponding to:

- Net investment in Ford Milan (Michigan) for €13,350 thousand.
- Acquisition of Plastal Poland assets for €11,169 thousand.
- Acquisition of 70% of the capital of RMS Rotherm Maschinenbau GmbH for €6,000 thousand (the cash acquired in the acquisition amounted to €834 thousand).
- Participation in a rights issue by the Chinese joint venture, Chengdu Faway Yanfeng Plastic Omnium, which is accounted for by the equity method, for the local currency equivalent of €544 thousand.
- Participation in a rights issue by the Chinese joint venture, Dongfeng Plastic Omnium Automotive Exterior Systems Co. Ltd, which is accounted for by the equity method, for the local currency equivalent of €499.5 thousand.

b - Acquisitions of non-controlling interests

In 2012, the Group bought out non-controlling interests totaling €35,571 thousand (see note 2 "Significant events of the year" and "Cash flows from financial investing activities" in the statement of cash flows) as follows:

- Acquisition of Eurovia's 35% interest in Signature Vertical Holding (renamed Plastic Omnium Signalisation), for €28,200 thousand.
- Acquisition of the 40% non-controlling interest in the Indian subsidiary Plastic Omnium Varroc Private Ltd for €7,371 thousand (INR 500 million).

5.1.13.2 Disposals of shares in subsidiaries and associates and non-controlling interests

Disposals are also broken down into two categories, as follows:

- Disposals of subsidiaries and associates (see "Cash flows from financial investing activities" in the statement of cash flows)
- Disposals of non-controlling interests (see "Cash flows from financial investing activities" in the statement of cash flows).

Details are as follows:

a - Disposals of shares in subsidiaries and associates

In 2012, there was only one disposal, for an amount of €20,608 thousand (see "Cash flows from financial investing activities" in the statement of cash flows), as follows:

- Disposal of the Signature companies (Environment Division) in connection with the unwinding of the partnership with Eurovia (see note 2.1.2)

In 2011, there was only one disposal, for an amount of €1,831 thousand, as follows:

- Sale of the South African subsidiary Plastic Omnium Urban Systems Pty (Environment Division)

b - Disposals of non-controlling interests

In 2012, the only sale of a non-controlling interest (see "Cash flows from financial investing activities" in the statement of cash flows) concerned:

- The sale of 40% of Inergy Automotive Systems Manufacturing Beijing Co. to the Group's Chinese partner, Beijing Hainachuan Automotive Parts. Co. Ltd. (a subsidiary of BAIC) for €2,880 thousand.

5.2 Equity and liabilities

5.2.1 Equity attributable to owners of the parent

5.2.1.1 Share capital of Compagnie Plastic Omnium

(in euros)	**31 December 2012**	**31 December 2011**
Share capital at 1 January	**8,939,245**	**8,822,300**
Capital increase following three-for-one stock-split	-	176,446
Capital reduction during the year	(157,214)	(59,500)
Share capital at 31 December (ordinary shares with a par value of €0.17)	**8,782,031**	**8,939,245**
Treasury stock	526,081	777,561
TOTAL NET OF TREASURY STOCK	**8,256,950**	**8,161,684**

Shares registered in the name of the same holder for at least two years carry double voting rights.
At its meeting on 17 July 2012, the Board of Directors decided to cancel 924,790 shares held in treasury. The shares were cancelled on 12, September 2012,

leading to a capital reduction of €157,214.30, from €8,939,245 to €8,782,031.19, represented by 51,659,007 shares with a par value of €0.17 each.

At 31 December 2012, Compagnie Plastic Omnium held 3,094,595 shares in treasury, representing 5.99% of the share capital, compared with 4,573,891 shares representing 8.70% of the share capital at 31 December 2011.

5.2.1.2 Details of "Other reserves and retained earnings" in the consolidated statement of changes in equity

(in thousands of euros)	**Actuarial gains and losses recognized in equity**	**Cash flow hedges (interest rate instruments)**	**Cash flow hedges (currency instruments)**	**Revaluations of property, plant and equipment**	**Retained earnings and other reserves**	**Attriutable to owners of the parent**
At 31 December 2010	**(13,960)**	**(2,812)**	**-**	**16,393**	**326,207**	**325,828**
Movements for 2011	(9,688)	(5,556)	-	-	117,584	102,340
At 31 December 2011	**(23,648)**	**(8,368)**	**-**	**16,393**	**443,791**	**428,168**
Movements for 2012	(7,746)	(5,062)	(207)	333	140,521	127,839
At 31 December 2012	**(31,394)**	**(13,430)**	**(207)**	**16,726**	**584,312**	**556,007**

5.2.1.3 Details of "Changes in scope of consolidation" in the consolidated statement of changes in equity

(in thousands of euros)	**Equity**		**Total equity**
	Attributable to owners of the parent	**Non-controlling interests**	
Share of the 40% minority partner in the share issue carried out by the Plastic Omnium Varroc Private Ltd joint venture	-	1,088	1,088
30% non-controlling interests in RMS Rotherm Maschinenbau GmbH	-	726	726
Acquisition by the Group of an additional 20% interest in Segnalletica Mordasini	(141)	(141)	(281)
Other changes	112	(110)	2
CHANGES IN THE SCOPE OF CONSOLIDATION IN 2011	**(29)**	**1,564**	**1,536**
Acquisition by Plastic Omnium of Eurovia's 35% interest in Signature Vertical Holding renamed Plastic Omnium Signalisation)	16,372	(44,572)	(28,200)
Acquisition by Plastic Omnium Varroc Polymers Private Ltd's 40% interest in Plastic Omnium Varroc Private Ltd	(5,875)	(1,496)	(7,371)
Share of the 49% minority partner, Detalstroykonstruktsiya (DSK), in the share issue carried out by DSK Plastic Omnium BV	-	4,701	4,701
Sale of a 40% stake in Inergy Automotive Systems Manufacturing Beijing Co. Ltd to BAIC	(713)	3,593	2,880
Other changes	(8)	5	(3)
CHANGES IN THE SCOPE OF CONSOLIDATION IN 2012	**9,776**	**(37,769)**	**(27,993)**

5.2.2 Dividends voted and paid by Compagnie Plastic Omnium

Total dividend in thousands of euros *Dividend per share in euros* *Number of shares in units*	2012		2011	
	Number of shares in 2011	**Dividend**	**Number of shares in 2010**	**Dividend**
Dividend per share (in €)		**0.69**		**0,47***
Total number of shares outstanding at the end of the previous year	52,583,797		52,933,797*	
Total number of shares held in treasury on the ex-dividend date	3,937,360		4,623,084*	
Total number of shares held in treasury at the year-end (for information)	4,573,891		4,522,644*	
Dividends on ordinary shares		36,283		24,703
Dividends on treasury stock (unpaid)		(2,717)		(2,158)
TOTAL NET DIVIDEND		**33,566**		**22,545**

* The Shareholders' Meeting of 28 April 2011 approved a three-for-one stock split reducing the par value of the Plastic Omnium share from €0.50 to €0.17 and multiplying the number of shares outstanding by three. The stock-split was carried out on 10 May 2011.
The 2010 dividend of €1.40 per share payable in 2011 was decided by the Annual Shareholders' Meeting based on the number of shares outstanding before the three-for-one stock split took place. As a result of the split, the dividend per share was reduced from €1.40 to €0.47.

** The estimated total 2011 dividend was determined by deducting the 4,573,891 shares held in treasury at 31 December 2011. On the ex-dividend date, there were only 3,937,360 shares in treasury and the amount deducted for dividends not paid on treasury stock was therefore €2,717 thousand and not €3,156 thousand as initially estimated.

The 2011 dividend paid by Compagnie Plastic Omnium in 2012 was €0.69 per share compared with the 2010 dividend of €0.47 per share paid in 2011.

The recommended dividend for 2012 amounts to €0.76 per share, representing a total payout of €39,261 thousand based on the 51,659,007 shares outstanding at 31 December 2012 before deducting treasury stock.

5.2.3 Share-based payments

At its meeting on 6 March 2012, the Board of Directors granted a certain number of stock options exercisable over the three-year period commencing 21 March 2016. The options granted to executive directors are performance stock options (see note 7.3.1. "Compensation paid to senior executives and officers" for details).

Outstanding stock option plans

Grant date	Options exercisable for	Grantees	Vesting conditions	Maximum number of options available under the plan	Maximum number of options available under the plan as adjusted for the stock-split*
11 March 2005**	Existing shares	54	Employment contract	237,000	711,000
26 April 2006	Existing shares	11	in force on the option	267,000	801,000
24 July 2007	Existing shares	65	exercise date, except	330,000	990,000
22 July 2008	Existing shares	39	in the case of transfer	350,000	1,050,000
1 April 2010	Existing shares	124	by the employer, early	375,000	1,125,000
21 March 2012	Existing shares	208	retirement or retirement	N/A	889,500

* On 28 April 2011, shareholders in Extraordinary Meeting approved a three-for-one stock split carried out on 10 May 2011 which reduced the shares' par value from €0.50 to €0.17. Since all of the plans outstanding at 31 December 2011 preceded that decision, as of that date, the number of options granted to each employee in each plan was multiplied by three and the exercise price divided by three.

** The 11 March 2005 plan, under which 118,500 options were originally granted at an exercise price of €42.30, was impacted by a previous two-for-one stock split decided on 17 May 2005, which reduced the share's par value to €0.50 from €1.00. As from that date, the number of options was doubled, from 118,500 to 237,000 and the exercise price was halved, to €21.15 from €42.30.

Outstanding options at 31 December and compensation cost recognized during the period
The vesting period for each plan is four years.

Outstanding options *(In euros)* *(In units for the number of options)*	**Options outstanding at 1 January 2012**	**Plan adjust-ments in 2012**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at 31 December 2012**	
			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 December 2012**
11 March 2005 plan									
Number of options granted*	33,000					(33,000)		-	
Share price at the grant date	7.05							-	
Option exercise price	7.05							-	
Life	7 years							-	
Unrecognized cost at period-end	-							-	
Remaining life	-							-	

* 11 March 2005 plan: the number of options at 1 January 2011 – i.e. 99,386 before the stock-split – was multiplied by three after the split.

Outstanding options *(In euros)* *(In units for the number of options)*	**Options outstanding at 1 January 2012**	**Plan adjust-ments in 2012**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at 31 December 2012**	
			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 December 2012**
25 April 2006 plan									
Number of options granted*	619,000					(589,000)		30,000	30,000
Share price at the grant date	11.75							11.75	
Option exercise price	11.63							11.63	
Life	7 years							7 years	
Unrecognized cost at period-end	-							-	
Remaining life	1 year							-	

* 1 April 2006 plan: the number of options at 1 January 2011 – i.e. 247,000 before the stock-split – was multiplied by three after the split.

Outstanding options *(In euros)* *(In units for the number of options)*	**Options outstanding at 1 January 2012**	**Plan adjust-ments in 2012**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at 31 December 2012**	
			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 December 2012**
24 July 2007 plan									
Number of options granted*	848,320			(3,000)		(574,832)		270,488	270,488
Share price at the grant date	13.10							13.10	
Option exercise price	13.12							13.12	
Life	7 years							7 years	
Unrecognized cost at period-end	-							-	
Remaining life	2 years							1 year	

* 24 July 2007 plan: the number of options at 1 January 2011 – i.e. 298,000 before the stock-split – was multiplied by three after the split.

Outstanding options *(In euros)* *(In units for the number of options)*	**Options outstanding at 1 January 2012**	**Plan adjust-ments in 2012**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at 31 December 2012**	
			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 December 2012**
22 July 2008 plan									
Number of options granted*	978,000			(21,000)		(183,578)		773,422	773,422
Share price at the grant date	5.98							5.98	
Option exercise price	8.84							8.84	
Life	7 years							7 years	
Unrecognized cost at period-end	218,707	(218,707)						-	
Remaining life	3 years							2 years	

* 22 July 2008 plan: the number of options at 1 January 2011 – i.e. 340,800 before the stock-split – was multiplied by three after the split.

Outstanding options *(In euros)* *(In units for the number of options)*	**Options outstanding at 1 January 2012**	**Plan adjust-ments in 2012**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at 31 December 2012**	
			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 December 2012**
1 April 2010 plan									
Number of options granted*	1,093,500			(63,000)				1,030,500	NONE
Share price at the grant date	9.60							9.60	
Option exercise price	8.53							8.53	
Life	7 years							7 years	
Unrecognized cost at period-end	2,651,483	(1,456,107)		(187,070)			(401,236)	607,070	
Remaining life	5,5 years							4,5 years	

* 1 April 2010 plan: the number of options at 1 January 2011 – i.e. 371,500 before the stock-split – was multiplied by three after the split.

Outstanding options *(In euros)* *(In units for the number of options)*	**Options outstanding at 1 January 2012**	**Plan adjust-ments in 2012**	**Increases**	**Decreases**			**Cost for the period**	**Options outstanding at 31 December 2012**	
			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 December 2012**
21 March 2012 plan									
Number of options granted*			889,500	(47,500)				842,000	NONE
Share price at the grant date			21.90					21.90	
Option exercise price			22.13					22.13	
Life			7 years					7 years	
Unrecognized cost at period-end			4,470,197	(289,044)			(819,048)	3,362,106	
Remaining life			7 years					6,25 years	
TOTAL COST FOR THE YEAR							**(1,220,284)**		

* At 31 December 2012, 134,500 shares were held to cover these plans (31 December 2011: 325,365 shares) but had not yet been allocated.

5.2.4 Government grants

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Investment grants	13,195	14,692
Total government grants recognized in non-current liabilities	**13,195**	**14,692**
Short-term government grants	276	277
Total government grants recognized in current liabilities	**276**	**277**
TOTAL GOVERNMENT GRANTS RECOGNIZED IN LIABILITIES	**13,471**	**14,969**

5.2.5 Provisions

(in thousands of euros)	**31 December 2011**	**Charges**	**Utilizations**	**Releases of surplus provisions**	**Reclassi-fications**	**Actuarial loss**	**Changes in scope of consolida-tion**	**Translation adjustment**	**31 December 2012**
Customer warranties	20,671	8,827	(5,327)	(13,972)	(357)			119	9,962
Reorganization plans*	8,735	26,807	(2,853)	(4,371)	(397)			(10)	27,911
Taxes and tax risks	2,049	4,300	(1,765)	(248)				(87)	4,249
Contract risks	4,390	4,855	(2,113)	(2,282)					4,850
Claims and litigation	6,864	5,176	(3,501)	(210)	397			(383)	8,342
Other	12,625	10,234	(5,745)	(8,376)	357		796	2	9,893
Provisions for liabilities and charges	**55,334**	**60,199**	**(21,304)**	**(29,459)**	**0**	**-**	**796**	**(359)**	**65,207**
Provisions for pensions and other post-employment benefits**	62,689	4,960	(2,957)			16,346	4	(690)	80,352
TOTAL	**118,023**	**65,159**	**(24,261)**	**(29,459)**	**0**	**16,346**	**800**	**(1,049)**	**145,559**

* Provisions for reorganization plans mainly concern four Automotive Division plants, Eisenach-Thuringe (Germany), Compiègne-Laval (France), St Désirat (France) and Duncan (United States) (see note 4.5 for more information about employee downsizing plans).

** The actuarial loss corresponds to the impact of lower interest rates in the euro zone and the United States in 2012 (see notes 1.2 "Use of estimates" and 5.2.6 "Provisions for pensions and other post-employment benefits").

(in thousands of euros)	31 December 2010	Charges	Utilizations	Releases of surplus provisions	Reclassi-fications	Actuarial gains and losses	Changes in scope of consolidation	Translation adjustment	31 December 2011
Customer warranties	18,043	11,511	(5,918)	(9,898)	6,988		123	(178)	20,671
Reorganization plans	4,355	7,690	(3,052)	(149)	(71)			(38)	8,735
Taxes and tax risks	3,875	445	(203)	(2,000)				(68)	2,049
Contract risks	4,780	2,427	(1,751)	(2,939)	1,873				4,390
Claims and litigation*	24,834	1,793	(19,178)	(211)	(278)			(96)	6,864
Other	18,950	9,333	(4,022)	(2,911)	(8,900)		(403)	578	12,625
Provisions for liabilities and charges	**74,836**	**33,199**	**(34,124)**	**(18,108)**	**(387)**	**-**	**(280)**	**198**	**55,334**
Provisions for pensions and other post-employment benefits	47,074	5,372	(3,478)	-	(837)	13,520	267	771	62,689
TOTAL	**121,910**	**38,571**	**(37,602)**	**(18,108)**	**(1,224)**	**13,520**	**(13)**	**969**	**118,023**

* At 31 December 2010, this item included €18.7 million corresponding to the fine levied on Signature SA and Sodilor under a competition ruling. The fine was paid in first-half 2011 and the provision was reversed, with no impact on 2011 profit. Signature SA and Sodilor appealed the ruling before the Paris Court of Appeal and the fine was reduced by €8.5 million in 2012 (see the section on "Litigation" in note 4.5).

5.2.6 Provisions for pensions and other post-employment benefits

Post-employment benefit plans

The generic term "post-employment benefits" is used to refer to both pension benefits and other employee benefits.

Provisions for pensions

Provisions for pensions cover:

- Length-of-service awards payable to employees on retirement
- Supplementary pension plans
- Plans for the payment of healthcare costs of retired employees.

In France, supplementary pension plans only concern senior executives and officers and consist of termination benefits. In other countries, any supplementary pension plans concern all employees.

Plans for the payment of healthcare costs of retired employees mainly concern the North America region (United States).

Other long-term benefit plans:

Other long-term benefits concern jubilees and other long-service awards.

Post-employment benefit plans are set up in accordance with the regulations applicable in each of the Group's host countries. Consequently, the costs recorded in the accounts are not a function of the number of employees in each country.

The countries identified and presented are those for which consistent actuarial assumptions apply, allowing data to be aggregated. Where no such aggregation is possible, no reference actuarial rates are provided as the differences in parameters are too great to allow an average rate to be calculated. Similarly, sensitivity tests are performed on country data that can be reliably aggregated.

In France, following the 2010 pensions reform, the minimum age at which retirees will be entitled to a full pension is gradually being raised and employees who retire before the statutory retirement age initially receive a reduced pension.

a - Actuarial assumptions

The main actuarial assumptions used to measure post-employment and other long-term benefit obligations are as follows:

	2012			2011		
	France	**United States**	**Switzerland**	**France**	**United States**	**Switzerland**
	Managers and non-managers			**Managers and non-managers**		
Minimum age for receiving a full pension	60 to 62	62		60 to 62	62	
Age from which no reduction applies	65 to 67			65 to 67		
Discount rate – post-employment benefits	3.5%	4.0%	1.75%	4.6%	4.7%	2.5%
Discount rate – jubilees and other long-service awards	3.0%			4.1%		
Inflation rate	2.0%			2.0%		
Rate of future salary increases	2% to 5%	3.3%	1.0%	2% to 5%	3.5%	1.0%
Rate of growth in healthcare costs [(a)]		8.5%			9.0%	
Expected long-term rate of return on pension plan assets	3.5%	8.0%	1.75%	3.5%	8.0%	4.0%

(a) In the United States, the rates are expected to decline by 0.5 points per year to 5% in 2019.

Discount rates – post-employment benefits

Discount rates are determined by reference to market yields on high quality corporate bonds with terms that are consistent with the duration of the benefit obligations.

Inflation rates

In France, benefits are indexed to inflation, whereas in the United States and Switzerland, the impact of inflation is not material.

Average rate of future salary increases

The average rates of future salary increases are weighted between managers and other employees and based on employees' ages.

Estimated long-term return on pension plan assets

These rates are based on long-term market forecasts and take account of each plan's asset allocation.

Note: for other foreign subsidiaries, rate differentials are determined based on local conditions.

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		
	2012	**2011**	**2010**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Projected benefit obligation at 1 January	**97,517**	**81,363**	**51,857**	**7,344**	**7,619**	**6,424**	**104,861**	**88,982**	**58,281**
Service cost	6,847	6,118	5,545	351	330	668	7,198	6,448	6,213
Interest cost	4,049	3,426	3,269	224	226	161	4,273	3,652	3,430
Curtailments, settlements and other	(654)	(1,153)	(377)	(320)	(293)	(85)	(974)	(1,446)	(462)
Actuarial gains and losses	16,463	8,859	770	(142)	(591)	9	16,321	8,268	779
Of which, experience adjustments	*1,268*	*1,406*	*1,773*	*(726)*	-	-	*542*	*1,406*	*1,773*
Benefits paid from plan assets	(1,143)	(97)	372	-	-	-	(1,143)	(97)	372
Benefits paid by the company	(2,579)	(2,261)	(2,151)	(204)	(95)	(454)	(2,783)	(2,356)	(2,605)
Changes in scope of consolidation	4	267	16,688	-	-	852	4	267	17,540
Reclassification as "Discontinued operations"	-	(971)	-	-	134	-	-	(837)	-
Translation adjustment	(897)	1,966	5,390	(12)	14	44	(909)	1,980	5,434
Projected benefit obligation at 31 December	**119,607**	**97,517**	**81,363**	**7,241**	**7,344**	**7,619**	**126,848**	**104,861**	**88,982**
Change in projected benefit obligation	22,090	16,154	29,506	(103)	(275)	1,195	21,987	15,879	30,701
Fair value of plan assets at 1 January	**42,172**	**41,908**	**25,160**	**-**	**-**	**-**	**42,172**	**41,908**	**25,160**
Return on plan assets	2,219	2,150	1,359	-	-	-	2,219	2,150	1,359
Employer contributions	5,274	3,680	2,993	-	-	-	5,274	3,680	2,993
Actuarial gains and losses	117	(4,662)	2,234	-	-	-	117	(4,662)	2,234
Of which, experience adjustments	*117*	*(4,662)*	*2,234*	-	-	-	*117*	*(4,662)*	*2,234*
Benefit payments funded by plan assets	(1,141)	(97)	372	-	-	-	(1,141)	(97)	372
Curtailments, settlements and other	(1,926)	(2,016)	-	-	-	-	(1,926)	(2,016)	-
Changes in scope of consolidation	-	-	5,599	-	-	-	-	-	5,599
Translation adjustment	(219)	1,209	4,191	-	-	-	(219)	1,209	4,191
Fair value of plan assets at 31 December	**46,496**	**42,172**	**41,908**	**-**	**-**	**-**	**46,496**	**42,172**	**41,908**
Change in fair value of plan assets	**4,324**	**264**	**16,748**	**-**	**-**	**-**	**4,324**	**264**	**16,748**
Excess of projected benefit obligation over plan assets = provision recorded in the balance sheet	**73,111**	**55,345**	**39,455**	**7,241**	**7,344**	**7,619**	**80,352**	**62,689**	**47,074**
- of which France	33,182	26,340	21,706	3,732	3,216	3,223	36,914	29,556	24,929
- of which Switzerland	2,897	2,604	177	-	-	-	2,897	2,604	177
- of which Europe excluding France and Switzerland	5,254	4,873	5,496	1,366	2,072	1,252	6,620	6,946	6,748
- of which United States	26,971	17,499	8,930	442	429	652	27,413	17,928	9,582
- of which Other regions	4,807	4,029	3,146	1,701	1,627	2,492	6,508	5,656	5,638

The present value of partially funded obligations was €44,399 thousand at 31 December 2012, including €11,907 thousand for French plans and €27,413 thousand for US plans. At 31 December 2011, the present value of partially funded obligations was €33,241 thousand, of which €10,519 thousand for French plans and €17,928 thousand for US plans.

c – Net projected benefit obligation by country

The following table shows the net projected benefit obligation by country:

(in thousands of euros)	2012					2011				
	France	**Swit-zerland**	**Europe excluding France and Switzerland**	**United States**	**Other**	**France**	**Swit-zerland**	**Europe excluding France and Switzerland**	**United States**	**Other**
Post-employment benefit plans										
Length-of-service awards payable on retirement	34,995	2,897	5,254	26,400	1,735	24,849	2,604	4,873	15,331	4,029
Supplementary pension plans	1,259					1,491				
Healthcare plans				571					2,168	
Total post-employment benefit obligations	**36,254**	**2,897**	**5,254**	**26,971**	**1,735**	**26,340**	**2,604**	**4,873**	**17,499**	**4,029**
Other long-term benefits	4,073		1,366	442	1,360	3,216		2,072	429	1,627
Total other long-term benefit obligations	**4,073**	**0**	**1,366**	**442**	**1,360**	**3,216**	**0**	**2,072**	**429**	**1,627**
NET OBLIGATION RECOGNIZED IN THE BALANCE SHEET	**40,327**	**2,897**	**6,620**	**27,413**	**3,095**	**29,556**	**2,604**	**6,945**	**17,928**	**5,656**

d – Sensitivity tests – retirement obligations

For retirement obligations, the results of sensitivity tests on the main external variable – discount rates – at 31 December 2012 and 31 December 2011 were as follows:

	2012					2011				
(in thousands of euros)	**Basis**	**Increase**		**Decrease**		**Basis**	**Increase**		**Decrease**	
		+0.25%		**-0.25%**			**+0.25%**		**- 0.25%**	
		Amount	**%**	**Amount**	**%**		**Amount**	**%**	**Amount**	**%**
France										
Effect on service cost and interest cost	3,928	3,903	-0.64%	3,953	+0.62%	3,697	3,674	-0.64%	3,721	+0.64%
Effect on projected benefit obligation	41,826	40,580	-2.98%	43,125	+3.11%	35,949	35,090	-2.39%	36,851	+2.51%
United States										
Effect on service cost and interest cost	4,043	3,848	-4.82%	424	+4.82%	3,343	3,241	-3.07%	3,458	+3.45%
Effect on projected benefit obligation	45,613	43,451	-4.74%	47,775	+4.74%	29,896	28,444	-4.86%	31,513	+5.41%
Switzerland										
Effect on projected benefit obligation	27,955	26,245	-6.12%	29,350	+4.99%	32,591	31,099	-4.58%	34,189	+4.9%

e – Changes in net balance sheet amounts

Changes in net balance sheet amounts for defined benefit plans are as follows:

(in thousands of euros)	Post-employment benefit plans			Other long-term benefits			Total		
	2012	**2011**	**2010**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Net projected benefit obligation at 1 January	**55,345**	**39,455**	**26,697**	**7,344**	**7,619**	**6,424**	**62,689**	**47,074**	**33,121**
Expense/income for the year									
Service cost	6,847	6,118	5,545	351	330	668	7,198	6,448	6,213
Curtailments, settlements and other	1,271	863	(377)	(320)	(293)	(85)	951	570	(462)
Benefits paid by the company	(2,579)	(2,261)	(2,151)	(204)	(95)	(454)	(2,783)	(2,356)	(2,605)
Actuarial gains and losses				(142)	(591)	9	(142)	(591)	9
Employer contributions	(5,275)	(3,680)	(2,993)		0	0	(5,275)	(3,680)	(2,993)
Net post-employment benefit plan costs recorded in operating expense	**264**	**1,040**	**24**	**(315)**	**(649)**	**138**	**(51)**	**391**	**162**
Interest cost	4,049	3,426	3,269	224	226	161	4,273	3,652	3,430
Expected return on plan assets	(2,219)	(2,150)	(1,359)	0	0	0	(2,219)	(2,150)	(1,359)
Net interest cost on post-employment plan obligations*	**1,830**	**1,276**	**1,910**	**224**	**226**	**161**	**2,054**	**1,502**	**2,071**
Balance sheet impact									
Changes in scope of consolidation	4	267	11,089		0	852	4	267	11,941
Actuarial gains and losses	16,346	13,520	(1,464)		0	0	16,346	13,520	(1,464)
Reclassification as "Discontinued operations"		(971)	0		134	0	0	(837)	0
Translation adjustment	(678)	758	1,199	(12)	14	44	(690)	772	1,243
Total balance sheet impacts	15,672	13,574	10,824	(12)	148	896	15,660	13,722	11,720
NET PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER	**73,111**	**55,345**	**39,455**	**7,241**	**7,344**	**7,619**	**80,352**	**62,689**	**47,074**

* *See "Interest cost – post-employment benefit obligations" in note 4.6.*

In France, the Labor Market Modernization Act of 25 June 2008 ("Fillon Act") doubled the statutory termination benefit. This affected the liability for length-of-service awards payable on retirement by the French companies that apply the Plastics Industry Collective Bargaining Agreement, because the agreement indexes these awards to the statutory termination benefit. The first-time application of the new rules, at 31 December 2008, led to a €2.9 million increase in retirement obligations recognized as off-balance sheet commitments. These off-balance sheet commitments amounted to €2 million at 31 December 2012. Changes in the commitments between the effective date of the new Act and 31 December 2012 are presented below.

Changes in "Fillon Act" (25 June 2012) off-balance sheet commitments

(in thousands of euros)	**31 December 2008**	**31 December 2009**	**31 December 2010**	**31 December 2011**	**31 December 2012**
"Fillon Act" off-balance sheet commitments	2,940				
Effect of changes in scope of consolidation (acquisition of control of Inergy) on "Fillon Act" commitments			200		
Other unrecognized commitments	428	1,063	426		
Amortization for the year		(359)	(319)	(1,128)	(486)
Off-balance sheet commitments at 31 December	**3,368**	**4,072**	**4,379**	**3,251**	**2,764**
Of which, balance of "Fillon Act" impact	*2,940*	*2,581*	*2,748*	*2,378*	*1,994*

f - Sensitivity to healthcare cost trends in the United States

The following table shows the impact of a 1-point change in the healthcare cost trend rate in the United States:

	31 December 2012		**31 December 2011**	
(in thousands of euros)	**Increase**	**Decrease**	**Increase**	**Decrease**
Effect on service cost and interest cost	23	(19)	34	(28)
Effect on provisions for post-employment benefit obligations	489	(404)	187	(299)

g - Breakdown of plan assets by investment category

At 31 December 2012, the plan assets of funded or partially funded defined benefit plans – mainly in the United States and Switzerland – broke down as follows by investment category:

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Equities	21,362	17,483
Bonds	15,568	15,147
Real estate	6,174	6,211
Other	3,392	3,330
TOTAL	**46,496**	**42,171**

h – Impact of the amendment to IAS 19 (IAS 19R)

As explained in note 1.1, the amendment to IAS 19R applicable from 1 January 2013 will have only a limited impact on the consolidated financial statements, as the Group does not apply the corridor approach.

The main initial impacts of applying the amendment will be as follows:

- On the balance sheet at 1 January 2012: recognition in equity of past service costs will have a negative impact of €3,250 thousand.
- On the 2012 income statement: measurement of the expected return on plan assets using the discount rate applied for the calculation of the projected benefit obligation (instead of the expected rate of return) and the absence of past service cost amortization will have a negative impact of €131 thousand.

5.2.7 Long and short-term borrowings

a – Net debt indicator used by the Group

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

- Long-term borrowings:

- Lines of credit
- Private Placement notes
- Bonds

- Less loans and other non-current financial assets
- Plus short-term debt
- Plus overdraft facilities
- Less cash and cash equivalents

b – Borrowings: private placement notes

The Group carried out two new financing operations in 2012, both without any financial covenants:

- A €250 million Euro Private Placement notes (EuroPP) issue, placed with French institutional investors, with the following characteristics:

Private placement notes	**Euro PP**
Fixed rate *in euros*	250,000,000
Due	12 December 2018
Interest rate	3.875%
Listed	NYSE Euronext Paris

- A €119 million "Schuldschein" private placement notes issue placed mainly with foreign investors (Asian, German, Canadian and Belgian) but also with French investors, with the following characteristics:

Private placement notes		
Schuldschein	**Amount**	**Annual cost**
Fixed rate	45,000,000	3.72%
Variable rate *in euros*	74,000,000	6-month Euribor + 240 bps
Due	27 June 2017	

c - Utilization of medium-term credit lines

At 31 December 2012, the Group had access to several confirmed bank lines of credit with an average maturity of more than three years. The facility amounts, which are greater than the Group's financing needs, stood at a total of €1,160 million at 31 December 2012 (31 December 2011: €1,255 million).

d - Reconciliation of gross and net debt

(in thousands of euros)	31 December 2012			31 December 2011		
	Total	**Current portion**	**Non-current portion**	**Total**	**Current portion**	**Non-current portion**
Finance lease liabilities	22,247	8,954	13,293	27,088	7,170	19,918
Bank borrowings	769,791	177,998	591,793	708,780	164,301	544,479
Of which EuroPP private placement notes issue	*248,905*	*2,123*	*246,782*	-	-	-
Of which Schuldschein private placement notes issue	*119,000*	-	*119,000*	-	-	-
Of which bank lines of credit	*401,886*	*175,875*	*226,011*	*708,780*	*164,301*	*544,479*
Long and short-term borrowings	792,038	186,952	605,086	735,868	171,471	564,397
Other short-term debt	3,382	3,382		11,363	11,363	
Hedging instruments – liabilities#	20,420	20,420		11,937	11,937	
Total borrowings (B)	**815,840**	**210,754**	**605,086**	**759,168**	**194,771**	**564,397**
Available-for-sale financial assets – FMEA 2 fund##	(2,148)		(2,148)	(1,328)		(1,328)
Other financial assets	(100,554)	(40,036)	(60,518)	(120,604)	(39,066)	(81,538)
Of which long-term financial receivables###	*(21,711)*		*(21,711)*	*(23,272)*		*(23,272)*
Of which finance receivables###	*(78,843)*	*(40,036)*	*(38,807)*	*(97,332)*	*(39,066)*	*(58,266)*
Other short-term financial receivables	(1,777)	(1,777)		(5,714)	(5,714)	
Hedging instruments – assets#	(314)	(314)		(2)	(2)	
Total financial receivables (C)	**(104,792)**	**(42,127)**	**(62,666)**	**(127,648)**	**(44,782)**	**(82,866)**
Gross debt (D) = (B) + (C)	**711,047**	**168,627**	**542,420**	**631,520**	**149,989**	**481,531**
Cash and cash equivalents	328,089	328,089		204,536	204,536	
Short-term bank loans and overdrafts	(6,864)	(6,864)		(44,335)	(44,335)	
Net cash and cash equivalents as recorded in the statement of cash flows (A)*	**(321,225)**	**(321,225)**		**(160,201)**	**(160,201)**	
NET DEBT (E) = (D) + (A)	**389,822**	**(152,598)**	**542,420**	**471,319**	**(10,212)**	**481,531**

\# See note 5.2.8.1 "Interest rate hedges".

\## See note 5.1.6 "Available-for-sale financial assets".

\### See note 5.1.7 "Long-term financial receivables".

* See note 5.1.12.b on "Net cash and cash equivalents".

e - Analysis of debt by currency

As a % of total debt	31 December 2012	31 December 2011
Euro	86%	86%
US dollar	8%	9%
Pound sterling	2%	0%
Other currencies	4%	5%
TOTAL	**100%**	**100%**

f - Analysis of debt by type of interest rate

As a % of total debt	31 December 2012	31 December 2011
Hedged variable rates	49%	74%
Unhedged variable rates	0%	14%
Fixed rates	51%	12%
TOTAL	**100%**	**100%**

5.2.8 Interest rate and currency hedges

5.2.8.1 Interest rate hedges

Interest rate hedges used in 2012 included swaps and caps. Their purpose is to hedge variable rate debt against increases in interest rates.

The total notional amount of derivative instruments used to manage interest rate risks was €570 million at 31 December 2012, unchanged from 31 December 2011. These instruments are intended to hedge interest rate risks on the Group's current and future borrowings. At 31 December 2012, of the total notional amount, €370 million consisted of derivatives qualified as cash flow hedges under IAS 39.

The derivatives are recognized in the balance sheet at fair value under "Hedging instruments" in assets (derivatives with a positive fair value) or in liabilities (derivatives with a negative fair value).

For derivatives that qualify for hedge accounting under IFRS (cash flow hedges):

- The effective portion of the gain or loss on the hedging instrument is recognized in equity (in "Other comprehensive income").
- It is reclassified to the income statement under "Finance costs" in the same period as the hedged cash flows (i.e. interest payments) affect profit.
- The time value of options is excluded from the hedging relationship. Changes in the time value of options and the ineffective portion of the gain or loss on the hedging instrument are recognized in the income statement, under "Finance costs".

For derivatives that do not fulfill the criteria for the application of hedge accounting, changes in their fair value are recorded directly in the income statement, under "Finance costs".

5.2.8.1.1 Derivative portfolios

Derivative portfolios:

	31 December 2012			31 December 2011		
(in thousands of euros)	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities	Fair value of hedging instruments	Recorded in assets	Recorded in liabilities
Interest rate derivatives (fair value)	(19,796)	314	(20,110)#	(11,935)	2	(11,937)#
Outstanding premiums	-	-	(3,923)	-	-	(1,520)
TOTAL FAIR VALUE AND OUTSTANDING PREMIUMS		**314**	**(24,033)**		**2**	**(13,457)**

\# At 31 December 2012, hedging instruments recorded in liabilities comprised €310 thousand corresponding to currency hedges (see note 5.2.8.2) and €20,110 thousand in interest rate hedges.

Composition of interest rate derivatives portfolio:

31 December 2012								
(in thousands of euros)	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in other comprehensive income	Hedged notional	Maturity	Reference interest rate	Outstanding premium*
Caps	-	-	-	-	110,000	June 2013	3-month Euribor	(213)
Caps	148	148	-	-	60,000	May 2017	2-month Euribor	(1,807)
Caps	166	166	-	-	90,000	June 2017	1-month Euribor	(1,273)
Swaps	(9,400)	-	(9,400)	(9,400)	205,000	August 2015	1-month Euribor	N/A
Swaps	(10,710)	-	(10,710)	(10,710)	105,000	February 2019	1-month Euribor	N/A
TOTAL	**(19,796)**	**314**	**(20,110)**	**(20,110)**	**570,000**			**(3,293)**

31 December 2011								
(in thousands of euros)	Fair value	Recorded in assets	Recorded in liabilities	Effective portion included in other comprehensive income	Hedged notional	Maturity	Reference interest rate	Outstanding premium*
Caps	2	2	-	-	260,000	June 2013	3-month Euribor	(1,520)
Swaps	(11,937)	-	(11,937)	(11,937)	310,000	August 2015	1-month Euribor	N/A
TOTAL	**(11,935)**	**2**	**(11,937)**	**(11,937)**	**570,000**			**(1,520)**

* Premiums on caps are paid over the life of the instrument. Premiums not yet paid at the period-end are recognized in liabilities under "Long-term borrowings" and "Short-term borrowings" as applicable.

5.2.8.1.2 Amounts recognized in "Other comprehensive income"

(in thousands of euros)	**Balance before tax recorded in "Other compre-hensive income" at 31 December 2011**	**Change in fair value of derivatives**	**Fair value adjustments reclassified to the income statement**	**Balance before tax recorded in "Other compre-hensive income" at 31 December 2012**
Effective portion of gains and losses on derivatives in the portfolio	(11,937)	(8,173)	-	(20,110)
Effect of August 2010 restructuring of the derivatives portfolio*	1,675	-	248	1,923
Effect of February 2012 restructuring of the derivatives portfolio**	-	-	668	668
TOTAL	**(10,262)**	**(8,173)**	**916**	**(17,519)**

* The Group restructured its derivatives portfolio at 31 August 2010 to modify the types of instruments used and extend their remaining life. The restructuring did not lead to any cash flows with the banking counterparties, as the fair value of the new portfolio was the same as that of the previous one, i.e. a negative €7.7 million.
- The effective portion of cumulative gains and losses as of 31 August 2010 on the old portfolio is being reclassified to the income statement over the remaining duration of the hedged cash flows, which expire between March 2012 and August 2015.
- The initial fair value of the new portfolio will be reclassified to the income statement in the period when the hedged cash flows (i.e. interest payments) affect profit, which ends in August 2015.

** The derivatives portfolio was restructured on 22 February 2012 to take advantage of lower interest rates and extend the remaining life of the hedges. Five caps and one swap were restructured, without leading to any cash flows with the banking counterparties.
The five caps had a zero fair value on the restructuring date and the outstanding premiums were incorporated in the premiums on the new caps.
The fair value of the new swap was same as that of the previous one, i.e. a negative €5.7 million.
- The effective portion of accumulated gains and losses on the old swap as of 22 February 2012 is being reclassified to the income statement over the remaining duration of the hedged cash flows, which expire in August 2015.
- The initial fair value of the new swap will be reclassified to the income statement in the period when the hedged cash flows (i.e. interest payments) affect profit, which ends in February 2019.

5.2.8.1.3 Impact of hedging on the income statement

(in thousands of euros)	**2012**	**2011**
Effective portion of gains and losses on derivatives in the portfolio (hedges of accrued interest for the period)	(6,145)	(5,293)
Reclassification to the income statement of accumulated gains and losses following restructuring of the derivatives portfolio in August 2010	(248)	(1,675)
Reclassification to the income statement of accumulated gains and losses following restructuring of the derivatives portfolio in February 2012*	(668)	-
Time value of caps	(1,633)	(220)
TOTAL**	**(8,694)**	**(7,188)**

* See footnote designated by an asterisk in note 5.2.8.1.2.

** See "Losses on interest rate instruments" in note 4.6.

5.2.8.2 Currency hedges

The Group uses derivatives to hedge its exposure to currency risks. The derivatives are not included in a documented hedging relationship within the meaning of IAS 39 as the Group considers that changes in their fair value automatically offset the income statement impact of remeasuring hedged receivables and payables at the year-end exchange rate.

Changes in the fair value of currency hedges are recognized in the income statement under "Other financial income and expense".

	31 December 2012				31 December 2011			
	Fair value in € thousands	**Notional amount in thousands of currency units**	**Average forward exchange rate**	**Exchange rate at 31 December 2012**	**Fair value in € thousands**	**Notional amount in thousands of currency units**	**Average forward exchange rate**	**Exchange rate at 31 December 2012**
			vs. the euro	**vs. the euro**			**vs. the euro**	**vs. the euro**
Net sell position (net buy position)								
USD – Forward exchange contract	+73	+13,548	1.2859	1.3194	(30)	(495)	1.3852	1.2939
GBP – Forward exchange contract	(359)	+14,988	0.8271	0.8161	(223)	11,478	0.8533	0.8353
HUF – Forward exchange contract	+212	+2,153,750	289.7667	292.30	-	-	-	-
RUB – Forward currency swap	(5)	(17,850)	41.5770	40.3295	-	-	-	-
USD – Forward currency swap	-	-	-	-	(21)	27,400	1.2926	1.2939
GBP – Forward currency swap	-	-	-	-	+44	10,800	0.8382	0.8353
MYR – Non-deliverable forward contract	-	-	-	-	(38)	7,926	4.2026	4.1055
USD – Non-deliverable forward contract	(232)	+4,535	1.4171	1.3194	-	-	-	-
TOTAL*	**(310)**				**(268)**			

* At 31 December 2012, hedging instruments recorded in liabilities for an amount of €20,420 thousand included currency hedges for €310 thousand and interest rate hedges for €20,110 thousand.

All currency derivatives held in the portfolio at 31 December 2012 had maturities of more than one year (31 December 2011: maturities of less than one year).

5.2.9 Trade payables and other operating liabilities

a - Trade payables

(in thousands of euros)	31 December 2012	31 December 2011
Trade payables	731,539	615,744
Due to suppliers of fixed assets	61,321	27,661
TOTAL	**792,860**	**643,405**

b - Other operating liabilities

(in thousands of euros)	31 December 2012	31 December 2011
Accrued employee benefits expense	115,599	102,840
Accrued income taxes	27,809	41,065
Other accrued taxes	32,539	20,672
Other payables	153,305	151,361
Customer prepayments	174,933	119,866
TOTAL	**504,185**	**435,804**

c - Trade payables and other operating liabilities by currency

		Liabilities at 31 December 2012			Liabilities at 31 December 2011		
(in thousands of currency units)		Local currency	Euro	%	Local currency	Euro	%
EUR	Euro	675,817	675,817	52%	607,688	607,688	56%
USD	US dollar	337,744	255,983	20%	272,006	210,222	20%
GBP	Pound sterling	48,252	59,125	5%	27,227	32,596	3%
BRL	Brazilian real	89,548	33,122	3%	64,961	26,889	2%
CNY	Chinese yuan	931,757	113,343	9%	719,223	88,153	8%
Other	Other currencies		159,655	12%		113,661	11%
TOTAL			**1,297,045**	**100%**		**1,079,209**	**100%**
Of which:							
Trade payables			*792,860*	*61%*		*643,405*	*60%*
Other operating liabilities			*504,185*	*39%*		*435,804*	*40%*

The sensitivity of trade payables to changes in exchange rates is not analyzed, as

- more than half of these payables are in euros
- and the Group's net exposure (trade receivables – trade payables) is not material. Trade receivables are analyzed by currency in note 5.1.10.d.

6. CAPITAL MANAGEMENT AND MARKET RISKS

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

6.1 Capital management

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

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 financial condition. Net debt includes all of the Group's interest-bearing financial liabilities (other than operating payables) less cash and cash equivalents and other financial assets (other than operating receivables), such as loans and marketable securities. At 31 December 2012 and 31 December 2011, the gearing ratio stood at:

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Net debt	389,822	471,319
Equity and quasi-equity (including government grants)	830,201	739,320
GEARING RATIO	**46.96%**	**63.75%**

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

A liquidity contract has been set up to support the capital management strategy. At 31 December 2012, 13,808 Compagnie Plastic Omnium shares and €891,849 in cash were held in the liquidity account (31 December 2011: 46,003 shares and €285,582 in cash).

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 fixes the price of some commodities purchases by entering into long-term supply contracts but does not use derivative instruments to hedge its exposure to commodities risk.

The benchmark indices for polyethylene and polypropylene are C2 and C3.

Some 259,230 tonnes of ethylene byproducts were purchased in 2012 (2011: 227,796 tonnes).

All other variables remaining constant, a 10% increase in the C2 and C3 benchmark indices in 2012 would have had a negative impact of around €24.3 million, before any impact of passing on the rise to customers (2011: negative impact of €19.4 million).

Conversely, a 10% decrease would have had a positive impact of €21.7 million in 2012 (2011: positive impact of €19.4 million).

6.3 Customer risk

At 31 December 2012, 10% of trade receivables were between one month and one year past due, compared with 10.93% at the previous year-end.

Net receivables by age:

31 December 2012 *(in thousands of euros)*	**Total receiva-bles**	**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	494,808	457,988	36,820	18,523	7,547	3,854	2,209	3,381	1,306
Environment	64,959	45,597	19,362	10,183	3,861	2,535	327	313	2,143
Unallocated items	2,208	2,208	–	–	–	–	–	–	–
TOTAL	**561,975**	**505,793**	**56,182**	**28,706**	**11,408**	**6,389**	**2,536**	**3,694**	**3,449**

31 December 2011 *(in thousands of euros)*	**Total receiva-bles**	**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**
Automobile	360,035	334,886	25,149	15,558	3,731	1,805	1,697	1,844	514
Environment	76,013	53,120	22,893	7,934	2,303	2,701	2,357	2,534	5,064
Unallocated items	3,620	3,603	17	–	–	–	–	–	17
TOTAL	**439,668**	**391,609**	**48,059**	**23,492**	**6,034**	**4,506**	**4,054**	**4,378**	**5,595**

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 primarily through medium-term bank lines of credit, but also through short-term bank facilities.

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

6.4.1 Other long-term financial receivables – carrying amounts and undiscounted values

Starting in 2011, the value before discounting is based on net amounts, to permit reconciliations to the information disclosed in note 6.4.3 "Carrying amounts of financial assets and liabilities".

(in thousands of euros)	31 December 2012		31 December 2011	
	Undiscounted finance receivables	**Carrying amount**	**Undiscounted finance receivables**	**Carrying amount**
Due within one year (see note 5.1.9 "Short-term financial receivables")	**-**	**-**	**-**	**-**
Due in one to five years (see note 5.1.7)	**47,452**	**43,377**	**68,035**	**62,982**
Other receivables	7,753	6,038	7,771	6,037
Environment Division finance lease receivables	6,046	5,206	7,752	5,948
Automotive Division finance receivables	33,653	32,133	52,512	50,997
Due beyond five years (see note 5.1.7)	**1,651**	**1,484**	**1,680**	**1,332**
Other receivables	16	16	11	11
Environment Division finance lease receivables	1,635	1,468	1,669	1,321
Automotive Division finance receivables			-	-
TOTAL	**49,103**	**44,861**	**69,715**	**64,314**

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 the carrying amount and fair value of items measured at amortized cost was not material at 31 December 2012 for the following reasons:

- Other financial assets and finance receivables: these items mainly comprise finance receivables that are measured at their net present value when due in more than one year.
- Trade receivables, other short-term financial receivables and trade payables: these items are due in less than one year.

Bank borrowings and overdraft facilities: 49% of the Group's financing was at variable rates of interest in 2012 compared with 88% in 2011.

		31 December 2012	31 December 2011
(in thousands of euros)	**IAS 39 category**	**Carrying amount**	**Carrying amount**
FINANCIAL ASSETS			
Available-for-sale financial assets	At fair value through equity	2,734	1,952
Other financial assets	At amortized cost	60,518	81,538
Finance receivables	At amortized cost	40,036	39,066
Trade receivables	Loans and receivables at amortized cost	561,975	439,668
Other short-term financial receivables	Loans and receivables at amortized cost	1,777	5,714
Hedging instruments	Cash flow hedges at fair value through equity	314	2
Cash and cash equivalents	Financial assets at fair value through profit or loss	328,089	204,536
Assets held for sale	Lower of carrying amount and fair value less costs to sell	1,210	19,435
FINANCIAL LIABILITIES			
Long-term borrowings	Financial liabilities at amortized cost	605,086	564,397
Bank overdrafts	Financial liabilities at amortized cost	6,864	44,335
Short-term borrowings	Financial liabilities at amortized cost	186,952	171,471
Other short-term debt	Financial liabilities at amortized cost	3,382	11,363
Hedging instruments	Cash flow hedges at fair value through equity	20,420	11,937
Trade payables	At amortized cost	792,860	643,405
Liabilities related to assets held for sale	Lower of carrying amount and fair value less costs to sell	-	11,303

6.4.3 Liquidity risk by maturity

The analysis of liquidity risk by maturity presented below is based on undiscounted contractual cash flows from financial assets and liabilities:

At 31 December 2012

(in thousands of euros)	**31 December 2012**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
FINANCIAL ASSETS				
Available-for-sale financial assets	2,734	240	2,494	-
Other financial assets*	22,267	15,656	6,595	16
Finance receivables*	81,711	40,377	39,699	1,635
Trade receivables**	561,975	558,527	3,448	-
Other short-term financial receivables	1,777	1,777	-	-
Hedging instruments	314	314	-	-
Cash and cash equivalents	328,089	328,089	-	-
Total financial assets	**998,867**	**944,980**	**52,236**	**1,651**
FINANCIAL LIABILITIES				
Long-term borrowings***	719,473	12,402	443,980	263,091
Bank overdrafts	6,864	6,864	-	-
Short-term borrowings****	193,599	193,599	-	-
Other short-term debt	3,382	3,382	-	-
Hedging instruments	20,420	20,420	-	-
Trade payables	792,860	792,860	-	-
Total financial liabilities	**1,736,598**	**1,029,527**	**443,980**	**263,091**
FINANCIAL ASSETS AND FINANCIAL LIABILITIES - NET#	**(737,731)**	**(84,547)**	**(391,744)**	**(261,440)**

* Undiscounted amounts (see notes 5.1.9 and 6.4.1).

** Trade receivables include past-due receivables of €56,182 thousand at 31 December 2012. See ageing analysis in note 6.3.

*** Long-term borrowings include the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

**** The increase in short-term borrowings in 2011 was attributable to expansion of the commercial paper program.

\# See note 5.2.7.c on confirmed medium-term credit lines and drawdowns.

At 31 December 2011 :

(in thousands of euros)	31 December 2011	Less than 1 year	1 to 5 years	More than 5 years
FINANCIAL ASSETS				
Available-for-sale financial assets	1,952	1,952	-	-
Other financial assets*	25,005	17,223	7,771	11
Finance receivables*	101,927	39,993	60,265	1,669
Trade receivables**	439,668	434,073	5,595	-
Other short-term financial receivables	5,714	5,714	-	-
Hedging instruments	2	2	-	-
Cash and cash equivalents	204,536	204,536	-	-
Total financial assets	**778,804**	**703,493**	**73,631**	**1,680**
FINANCIAL LIABILITIES				
Long-term borrowings	671,915	-	662,339	9,576
Bank overdrafts	44,336	44,336	-	-
Short-term borrowings	171,471	171,471	-	-
Other short-term debt	11,363	11,363	-	-
Hedging instruments	11,937	11,937	-	-
Trade payables	643,405	643,405	-	-
Total financial liabilities	**1,554,427**	**882,512**	**662,339**	**9,576**
FINANCIAL ASSETS AND FINANCIAL LIABILITIES - NET#	**(775,623)**	**(179,019)**	**(588,708)**	**(7,896)**

* Undiscounted amounts (see notes 5.1.9 and 6.4.1).

** Trade receivables include past-due receivables of €48,059 thousand at 31 December 2011. See ageing analysis in note 6.3.

*** Long-term borrowings include the amounts reported in the balance sheet and interest payable over the remaining life of the debt.

**** The increase in short-term borrowings in 2011 was attributable to expansion of the commercial paper program.

\# See note 5.2.7.c on 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 is to hedge currency risks arising from cross-border transactions, such as purchases of property, plant and equipment. 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 by the Group with the prime objective of 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, with one of the selection criteria being satisfactory resource and counterparty diversification.

At 31 December 2012, all borrowings in euros were hedged over periods ranging from six months to six years using non-speculative financial instruments, compared with 87% of borrowings hedged over 1.5 and 3.5 years at the previous year-end.

Sensitivity to interest rate changes

A 100-bps rise in interest rates on the Group's variable rate debt would have led to an increase in interest expense after the impact of hedging of €2.6 million in 2012 and €6 million in 2011.

A 100-bps fall in interest rates on the Group's variable rate debt would have led to a decrease in interest expense after the impact of hedging of €0.5 million in 2012 and €6 million in 2011.

7. OTHER INFORMATION

7.1 Number of employees at year-end

	31 December 2012			31 December 2011			
Employees	**Excluding temporary staff**	**Temporary staff**	**Total**	**Excluding temporary staff**	**Temporary staff**	**Total**	**Total change**
France	4,831	416	**5,247**	4,919	714	**5,633**	-7%
%	*26.3%*	*15.4%*	*24.9%*	*28.8%*	*26.5%*	*28.5%*	
Europe excluding France	5,572	637	**6,209**	5,042	646	**5,688**	9%
%	*30.4%*	*23.7%*	*29.5%*	*29.5%*	*24.0%*	*28.8%*	
North America	2,849	543	**3,392**	2,667	447	**3,114**	9%
%	*15.5%*	*20.2%*	*16.1%*	*15.6%*	*16.6%*	*15.8%*	
Asia and South America*	5,089	1,097	**6,186**	4,440	889	**5,329**	16%
%	*27.7%*	*40.7%*	*29.4%*	*26.0%*	*33.0%*	*27.0%*	
TOTAL	**18,341**	**2,693**	**21,034**	**17,068**	**2,696**	**19,764**	**6%**
Change by employee category							
Employees excluding temporary staff			*7%*			*9%*	
Temporary staff			*0%*			*19%*	
Of which, employees of joint ventures adjusted on the basis of the Group's percentage interest in the joint ventures	*1,567*	*123*	*1,690*	*1,289*	*127*	*1,416*	*16%*

* The "Asia and South America" region includes Turkey and South Africa.

7.2 Off-balance sheet commitments

7.2.1 Commitments given and received

At 31 December 2012

(in thousands of euros)	Total	Property, plant and equipment	Financial assets and liabilities	Other non-financial current assets/ liabilities
Surety bonds given	(25,562)	(349)	(3,650)	(21,563)
Commitments to purchase assets	(25,625)	(25,625)	-	-
Debt collateral (mortgages)	(5,416)	(5,416)	-	-
Guarantees	(25,883)	(1,435)	(24,448)	-
Other off-balance sheet commitments	(28,239)	(703)	(13,688)	(13,848)
Total commitments given	**(110,725)**	**(33,528)**	**(41,786)**	**(35,411)**
Surety bonds received	4,411	740	-	3,671
Other commitments received	181	181	-	-
Total commitments received	**4,592**	**921**	**-**	**3,671**
TOTAL COMMITMENTS – NET	**(106,133)**	**(32,607)**	**(41,786)**	**(31,740)**

No commitments had been given or received in respect of intangible assets at 31 December 2012.

At 31 December 2011

(in thousands of euros)	Total	Property, plant and equipment	Financial assets/ liabilities	Other non-financial current assets/ liabilities
Surety bonds given	(26,727)	(9,955)	(12,663)	(4,109)
Commitments to purchase assets	(86,790)	(86,790)	-	-
Debt collateral (mortgages)	(5,805)	(5,805)	-	-
Guarantees	(8,912)	(737)	(8,175)	-
Other off-balance sheet commitments	(24,634)	(382)	(9,066)	(15,186)
Total commitments given	**(152,868)**	**(103,669)**	**(29,904)**	**(19,295)**
Surety bonds received	1,764	858	-	906
Other commitments received	164	164	**-**	**-**
Total commitments received	**1,928**	**1,022**	**-**	**906**
TOTAL COMMITMENTS – NET	**(150,940)**	**(102,647)**	**(29,904)**	**(18,389)**

No commitments had been given or received in respect of intangible assets at 31 December 2011.

At the time of the Group's acquisition of 50% of Inergy in 2010, the vendors provided a 5-year warranty covering any recalls of products manufactured or sold in the period before the acquisition.

7.2.2 Operating leases where the Group is lessee

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Minimum lease payments under non cancelable operating leases		
Due within one year	40,524	29,720
Due in one to five years	99,024	73,050
Due beyond five years	33,596	31,884
TOTAL	**173,144**	**134,654**

7.2.3 Right to individual training (DIF)

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 2012**	**31 December 2011**
2004 to 2011		491,886
2004 to 2012	513,718	

As explained in note 1.13, no provision is recorded for the cost of these training hours.

7.3 Related party transactions

7.3.1 Compensation paid to senior executives and officers

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.

In 2012, 260,000 stock options were granted to senior executives and officers (2011: none).

Under the stock option plan decided by the Board of Directors on 6 March 2012, options granted to senior executives and officers are subject to performance conditions. The options will be exercisable over a period of three years from 21 March 2016.

The table below shows the total compensation and benefits paid to members of the Board of Directors and senior executives in 2012 and 2011.

(in thousands of euros)	**Paid or payable by:**	**2012**	**2011**
Directors' fees	Paid by Compagnie Plastic Omnium	64	63
Directors' fees	Paid by companies controlled by Compagnie Plastic Omnium and by Burelle SA	344	260
Gross compensation	Payable by the Plastic Omnium Group	4,615	3,865
Cost of supplementary pension plan	Payable by the Plastic Omnium Group	1,320	666
Cost of stock option plans	Payable by the Plastic Omnium Group	254	718
TOTAL COMPENSATION		**6,597**	**5,572**

7.3.2 Transactions with Sofiparc SAS, Burelle SA and Burelle Participations SA

At 31 December 2012

(in thousands of euros)	**Direct and indirect costs**	**Royalties and management fees**	**Financial income and expenses**	**Current accounts**	**Deposits**	**Trade payables**	**Trade receivables**	**Other receivables**	**Long and short-term debt**
Sofiparc SAS	(597)	(4,129)	(1,127)	-	981	150	-	-	40,327
Burelle SA	1	(4,735)	(14)	3,028	-	-	10	3	-
Burelle Participations SA	-	-	-	-	-	-	-	-	-

At 31 December 2011

(in thousands of euros)	**Direct and indirect costs**	**Royalties and management fees**	**Financial income and expenses**	**Current accounts**	**Deposits**	**Trade payables**	**Trade receivables**	**Other receivables**	**Long and short-term debt**
Sofiparc SAS	(794)	(4,096)	(1,412)	7	981	125	-	-	40,327
Burelle SA	2	(5,866)	(46)	201	-	2,348	-	36	-
Burelle Participations SA	-	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.

These joint ventures, which are managed jointly by Plastic Omnium and other investors, are consolidated by the Group on the following bases:

	31 December 2012	**31 December 2011**
Plastic Recycling	50%	50%
Valeo Plastic Omnium SNC & SL	50%	50%
Yanfeng Plastic Omnium and its subsidiaries	49.95%	49.95%
HBPO GmbH, its subsidiaries and indirect subsidiary*	33.33%	33.33%

* SHB Automotive Modules (formerly Samlip HBPO South Korea), an indirect subsidiary of HBPO GmbH, is proportionately consolidated on a 16.67% basis.

a – Intra-group balances and transactions between fully consolidated companies and joint ventures

(in thousands of euros)	**31 December 2012***	**31 December 2011***
Revenue	5,150	4,153
Trade receivables	1,836	1,845
Trade payables	1,300	(886)
Dividends	10,643	18,071
Current accounts	486	435

* Data are presented based on the Group's ownership interest in the joint ventures concerned.

b – Consolidated balance sheet data for joint ventures

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Non-current assets	109,274	88,302
Current assets	212,315	184,509
Total assets	**321,589**	**272,811**
Equity	122,870	99,657
Non-current liabilities	2,686	7,309
Current liabilities	196,033	165,845
Total equity and liabilities	**321,589**	**272,811**

c – Consolidated income statement data for joint ventures

(in thousands of euros)	**2012**	**2011**
Revenue	**640,672**	**482,092**
Cost of sales	(586,114)	(439,477)
Research and development costs	(9,664)	(6,778)
Selling costs	(585)	(254)
Administrative expenses	(12,640)	(11,995)
Operating margin	**31,669**	**23,588**
Other operating income and expenses	9,929	10,002
Operating profit	**41,598**	**33,590**
Finance costs, net and other financial income and expenses, net	120	263
Profit before tax	41,718	33,853
Income tax expense	(4,676)	(6,325)
NET PROFIT FROM CONTINUING OPERATIONS	**37,042**	**27,528**
Net income from discontinued operations		-
NET PROFIT	**37,042**	**27,528**

7.4 Fees paid to the Statutory Auditors

	2012		
(in thousands of euros)	**Mazars**	**Ernst & Young**	**Total**
Audit services	**(1,653)**	**(1,490)**	**(3,143)**
Of which:			
Compagnie Plastic Omnium	*(384)*	*(357)*	*(741)*
Subsidiaries	*(1,269)*	*(1,133)*	*(2,402)*
Other fees	**(135)**	**(103)**	**(238)**
Of which:			
Compagnie Plastic Omnium	*0*	*0*	*0*
Subsidiaries	*(135)*	*(103)*	*(238)*
TOTAL	**(1,788)**	**(1,593)**	**(3,381)**

	2011		
(in thousands of euros)	**Mazars**	**Ernst & Young**	**Total**
Audit services	**(1,596)**	**(1,427)**	**(3,023)**
Of which:			
Compagnie Plastic Omnium	*(360)*	*(349)*	*(709)*
Subsidiaries	*(1,236)*	*(1,078)*	*(2,314)*
Other fees	**(218)**	**(250)**	**(468)**
Of which:			
Compagnie Plastic Omnium	*0*	*0*	*0*
Subsidiaries	*(218)*	*(250)*	*(468)*
TOTAL	**(1,814)**	**(1,677)**	**(3,491)**

7.5 Consolidating entity

Compagnie Plastic Omnium is fully consolidated in the accounts of Burelle SA, which owns 56.09% of its capital, or 59.66% after the impact of canceling treasury stock.

Burelle SA – 19 Avenue Jules Carteret

69342 Lyon Cedex 07

7.6 Subsequent events

a – Buyout of non-controlling interests

On 29 January 2013, the Group bought out its partner Xietong's interest in the Chinese joint venture Jiangsu Xieno Automotive Components Co Ltd. Title to the shares was transferred immediately, increasing the Group's interest to 100%.

This acquisition of non-controlling interests had no impact on the consolidation method applied to this company as it was already controlled by the Group.

b – Sale of assets and related liabilities classified as "held for sale"

On 29 January 2013, the Group sold the Blenheim plant operated by its subsidiary Inergy Automotive Systems Canada, Inc. (Automotive Division) for CAD 1,650 thousand (€1,284 thousand converted at the average 2012 exchange rate). *See note 2.6 "Sale of assets and related liabilities classified as "held for sale""*

To the best of management's knowledge, no other events have occurred since 31 December 2012 that would be likely to have a material impact on the Group's business, financial position, results and or assets.

LIST OF CONSOLIDATED COMPANIES AT 31 DECEMBER 2012

		Reportable segments			31 December 2012			31 December 2011			
Company		Auto-motive	Environ-ment	Unal-located	Consolidation method	% voting rights	% Interest	Consolidation method	% voting rights	% Interest	Tax group
France											
COMPAGNIE PLASTIC OMNIUM SA				•	Parent company			Parent company			1 - a
PLASTIC OMNIUM SYSTEMES URBAINS SAS			•		FC	100	100	FC	100	100	1 - b
METROPLAST SAS			•		FC	100	100	FC	100	100	1 - b
LA REUNION VILLES PROPRES SAS			•		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM CARAIBES SAS	Y5		•		FC	100	100	FC	100	100	1 - b
INERGY AUTOMOTIVE SYSTEMS FRANCE SAS		•			FC	100	100	FC	100	100	1 - a
PLASTIC RECYCLING SAS		•			P	50	50	P	50	50	
PLASTIC OMNIUM AUTO EXTERIEUR SA		•			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO EXTERIEUR SERVICES SAS		•			FC	100	100	FC	100	100	1 - a
TRANSIT SAS			•		FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM GESTION SNC				•	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM FINANCE SNC				•	FC	100	100	FC	100	100	1 - a
LUDOPARC SAS			•		FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO SAS				•	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM ENVIRONNEMENT SAS			•	•	FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM AUTO EXTERIORS SAS		•			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM COMPOSITES HOLDING SAS		•			FC	100	100	FC	100	100	1 - a
INERGY AUTOMOTIVE SYSTEMS SAS		•			FC	100	100	FC	100	100	1 - a
INERGY AUTOMOTIVE SYSTEMS MANAGEMENT SAS		•			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM ENVIRONNEMENT GUYANE SAS	Y6		•		FC	100	100	FC	100	100	1 - b
VALEO PLASTIC OMNIUM SNC		•			P	50	50	P	50	50	
BEAUVAIS DIFFUSION SAS			•		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM VERNON SAS		•			FC	100	100	FC	100	100	1 - a
TECHNIQUES ET MATERIELS DE COLLECTE - « TEMACO » SAS			•		FC	100	100	FC	100	100	1 - b
INOPART SA	d1	•			-	-	-	FC	100	100	
PLASTIC OMNIUM COMPOSITES SA		•			FC	100	100	FC	100	100	1 - a
MIXT COMPOSITES ET RECYCLABLES - MCR SAS		•			FC	100	100	FC	100	100	1 - a
PLASTIC OMNIUM ENVIRONNEMENT HOLDING SAS	Y1, d21			•	FC	100	100	FC	100	100	1 - b
SIGNATURE HOLDING SAS	d1			•	-	-	-	FC	100	100	
SIGNALISATION FRANCE SA	Y2			•	FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM SIGNALISATION SAS	f21, Y3, d21		•		-	-	-	FC	100	65	1 - b
SIGNATURE TRAFFIC SYSTEMS SAS (STS)	c21		•		-	-	-	FC	100	65	
FARCOR SAS	c21		•		-	-	-	FC	100	65	
SODILOR SASU	c21		•		-	-	-	FC	100	65	
SIGNATURE INTERNATIONAL SAS	e1			•	-	-	-	FC	100	100	
SULO FRANCE SAS			•		FC	100	100	FC	100	100	1 - b
PLASTIC OMNIUM AUTO EXTERIORS INDUSTRIES SAS	a1	•			FC	100	100	-	-	-	
South Africa											
INERGY AUTOMOTIVE SYSTEMS SOUTH AFRICA LTD		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM URBAN SYSTEMS (Pty) LTD	c1		•		-	-	-	FC	100	100	
Germany											

Company		Reportable segments			31 December 2012			31 December 2011			
		Auto-motive	Environ-ment	Unal-located	Consolidation method	% voting rights	% Interest	Consolidation method	% voting rights	% Interest	Tax group
PLASTIC OMNIUM GmbH				•	FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM AUTO COMPONENTS GmbH		•			FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM ENTSORGUNGSTECHNIK GmbH			•		FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS GERMANY GmbH		•			FC	100	100	FC	100	100	2 - b
HBPO BETEILIGUNGSGESELLSCHAFT GmbH	Y7	•			P	33.33	33.33	P	33.33	33.33	
HBPO Rastatt GmbH		•			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	
PLASTIC OMNIUM ENVIRONNEMENT GmbH	Y4		•		FC	100	100	FC	100	100	
SIGNATURE DEUTSCHLAND GmbH	c21		•		-	-	-	FC	100	100	
ENVICOMP GmbH			•		FC	100	100	FC	100	100	2 - a
ENVICOMP SYSTEMLOGISTIK VERWARLTUNG GmbH & Co KG	e1		•		-	-	-	FC	100	100	
WESTFALIA INTRALOG GmbH			•		FC	100	100	FC	100	100	2 - a
SULO EISENWERK STREUBER & LOHMANN GmbH			•		FC	100	100	FC	100	100	2 - b
SULO UMWELTTECHNIK GmbH			•		FC	100	100	FC	100	100	2 - b
SULO UMWELTTECHNIK BETEILIGUNGS GmbH			•		FC	100	100	FC	100	100	
SULO EMBALLAGEN BETEILIGUNGS GmbH	Y8		•		FC	100	100	FC	100	100	2 - b
PLASTIC OMNIUM URBAN SYSTEMS GmbH				•	FC	100	100	FC	100	100	2 - a
PLASTIC OMNIUM COMPOSITES GmbH		•			FC	100	100	FC	100	100	2 - b
SULO ENTSORGUNGSTECHNIK GmbH	d1	•			-	-	-	FC	100	100	
RMS ROTHERM MASCHINENBAU GmbH	b1		•		FC	70	70	FC	70	70	
HBPO Ingolstadt GmbH	a1	•			P	33.33	33.33	P	33.33	33.33	
Argentina											
INERGY AUTOMOTIVE SYSTEMS ARGENTINA SA		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM SA		•			FC	100	100	FC	100	100	
Belgium											
PLASTIC OMNIUM AUTOMOTIVE NV		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM NV			•		FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS RESEARCH NV		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS BELGIUM SA		•			FC	100	100	FC	100	100	
SULO NV			•		FC	100	100	FC	100	100	
Brasil											
INERGY AUTOMOTIVE SYSTEMS DO BRASIL LTDA		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM DO BRASIL LTDA		•	•		FC	100	100	FC	100	100	
Canada											
INERGY AUTOMOTIVE SYSTEMS CANADA INC		•			FC	100	100	FC	100	100	
HBPO CANADA INC		•			P	33.33	33.33	P	33.33	33.33	
Chile											
PLASTIC OMNIUM SA			•		FC	100	100	FC	100	100	
China											
JIANGSU XIENO AUTOMOTIVE COMPONENTS CO LTD		•			FC	60	60	FC	60	60	
INERGY AUTOMOTIVE SYSTEMS WUHAN CO LTD		•			FC	100	100	FC	100	100	
YANFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS CO LTD		•			P	49.95	49.95	P	49.95	49.95	

		Reportable segments			31 December 2012			31 December 2011			
Company		Auto-motive	Environ-ment	Unal-located	Consolidation method	% voting rights	% Interest	Consolidation method	% voting rights	% Interest	Tax group
PLASTIC OMNIUM (SHANGHAÏ) BUSINESS CONSULTING CO LTD				•	FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS CONSULTING (Beijing) CO LTD		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS MANUFACTURING (Beijing) CO LTD	g2	•			FC	100	60	FC	100	100	
CHONGQING YANFENG PO AE FAWAY CO LTD		•			P	49.95	49.95	P	49.95	49.95	
GUANGZHOU ZHONGXIN YANFENG PO AE TRIM CO LTD		•			P	49.95	49.95	P	49.95	49.95	
CHENGDU FAWAY YANFENG PO		•			EM	24.48	24.48	EM	24.48	24.48	
HBPO CHINA Ltd		•			P	33.33	33.33	P	33.33	33.33	
YANFENG PLASTIC OMNIUM (SHANGHAI) AUTOMOTIVE EXTERIOR SYSTEMS CO LTD	a1	•			P	49.95	49.95	P	49.95	49.95	
DONGFENG PLASTIC OMNIUM AUTOMOTIVE EXTERIOR SYSTEMS CO LTD	a1	•			EM	24.95	24.95	EM	24.95	24.95	
INERGY CHINE GUANGZHOU	a2	•			FC	100	100	-	-	-	
INERGY AUTOMOTIVE SYSTEMS SHENYANG	a2	•			FC	100	100	-	-	-	
YANFENG PLASTIC OMNIUM YIZHENG AUTOMOTIVE EXTERIOR SYSTEMS CO., LTD	a2	•			P	49.95	49.95	-	-	-	
PLASTIC OMNIUM (SHANGHAI) HOLDING CO. LTD	a2			•	FC	100	100	-	-	-	
South Korea											
SHB AUTOMOTIVE MODULES		•			P	16.67	16.67	P	16.67	16.67	
HBPO KOREA Ltd		•			P	33.33	33.33	P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS CO LTD		•			FC	100	100	FC	100	100	
Spain											
COMPANIA PLASTIC OMNIUM SA				•	FC	100	100	FC	100	100	3
PLASTIC OMNIUM EQUIPAMIENTOS EXTERIORES SA		•			FC	100	100	FC	100	100	3
PLASTIC OMNIUM SISTEMAS URBANOS SA			•		FC	100	100	FC	100	100	3
INERGY AUTOMOTIVE SYSTEMS VALLADOLID SL		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS SPAIN SA (Arevalo/Vigo)		•			FC	100	100	FC	100	100	
VALEO PLASTIC OMNIUM SL		•			P	50	50	P	50	50	
PLASTIC OMNIUM COMPOSITES ESPANA		•			FC	100	100	FC	100	100	3
HBPO IBERIA SL		•			P	33.33	33.33	P	33.33	33.33	
SIGNATURE SENALIZACION SA	f21		•		FC	100	100	FC	100	65	
HBPO AUTOMOTIVE SPAIN SL		•			P	33.33	33.33	P	33.33	33.33	
PLASTIC OMNIUM COMPONENTES EXTERIORES SL		•			FC	100	100	FC	100	100	3
United States											
PLASTIC OMNIUM AUTO EXTERIORS LLC		•			FC	100	100	FC	100	100	4 - a
PERFORMANCE PLASTICS PRODUCTS - 3 P INC.	e2			•	FC	100	100	FC	100	100	4 - a
PLASTIC OMNIUM INC.				•	FC	100	100	FC	100	100	4 - a
PLASTIC OMNIUM INDUSTRIES INC.				•	FC	100	100	FC	100	100	4 - a
INERGY AUTOMOTIVE SYSTEMS (USA) LLC	h1	•			FC	100	100	FC	100	100	4 - a
PLASTIC OMNIUM AUTOMOTIVE SERVICES INC.		•			FC	100	100	FC	100	100	4 - a
HBPO NORTH AMERICA INC.		•			P	33.33	33.33	P	33.33	33.33	
INERGY AUTOMOTIVE SYSTEMS HOLDING INC.		•			FC	100	100	FC	100	100	
Hungary											
HBPO MANUFACTURING HUNGARY Kft	a1	•			P	33.33	33.33	P	33.33	33.33	
HBPO AUTOMOTIVE HUNGARIA Kft	a2	•			P	33.33	33.33	-	-	-	

Company		Reportable segments: Auto-motive	Environ-ment	Unal-located	31 December 2012: Consolidation method	% voting rights	% Interest	31 December 2011: Consolidation method	% voting rights	% Interest	Tax group
India											
PLASTIC OMNIUM AUTO EXTERIORS (INDIA) PVT LTD	f2, Y9	•			FC	100	100	FC	60	60	
INERGY AUTOMOTIVE SYSTEMS INDIA		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS MANUFACTURING INDIA PVT LTD		•			FC	55	55	FC	55	55	
Ireland											
INERGY AUTOMOTIVE SYSTEMS REINSURANCE LTD		•			FC	100	100	FC	100	100	
Japan											
INERGY AUTOMOTIVE SYSTEMS KK		•			FC	100	100	FC	100	100	
HBPO JAPAN	e1	•			-	-	-	P	33.33	33.33	
Morocco											
INERGY AUTOMOTIVE SYSTEMS MOROCCO		•			FC	100	100	FC	100	100	
Mexico											
PLASTIC OMNIUM AUTOMOVIL SA DE CV		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORES SA DE CV		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM INDUSTRIAL AUTO EXTERIORES RAMOS ARIZPE SA DE CV		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM DEL BAJIO SA DE CV		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS MEXICO SA DE CV		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS INDUSTRIAL MEXICO SA DE CV		•			FC	100	100	FC	100	100	
INOPLAST COMPOSITES SA DE CV		•			FC	100	100	FC	100	100	
INOPLASTIC OMNIUM INDUSTRIAL SA DE CV		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM SISTEMAS URBANOS SA DE CV			•		FC	100	100	FC	100	100	
HBPO MEXICO SA DE CV		•			P	33.33	33.33	P	33.33	33.33	
PLASTIC OMNIUM MEDIO AMBIENTE SA DE CV			•		FC	100	100	FC	100	100	
PLASTIC OMNIUM TOLUCA SA DE CV		•			FC	100	100	FC	100	100	
CREATEC DE MEXICO SRL DE CV	a2	•			FC	100	100	-	-	-	
PULIDOS DE JUAREZ SA DE CV	a2	•			FC	100	100	-	-	-	
Middle East											
INERGY VLA PLASTIRAN		•			FC	51	51	FC	51	51	
Netherlands											
PLASTIC OMNIUM BV			•		FC	100	100	FC	100	100	5
PLASTIC OMNIUM INTERNATIONAL BV				•	FC	100	100	FC	100	100	5
SULO BV			•		FC	100	100	FC	100	100	
DSK PLASTIC OMNIUM BV	a2	•			FC	100	51	-	-	-	
Poland											
INERGY AUTOMOTIVE SYSTEMS POLAND Sp. Z.O.O		•			FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO EXTERIORS Sp Z.O.O		•			FC	100	100	FC	100	100	
SULO Sp. Z.O.O			•		FC	100	100	FC	100	100	
PLASTIC OMNIUM AUTO Sp Z.O.O	b1	•			FC	100	100	FC	100	100	
Czech Republic											
HBPO CZECH S.R.O		•			P	33.33	33.33	P	33.33	33.33	
SULO SRO			•		FC	100	100	FC	100	100	
Romania											
INERGY AUTOMOTIVE SYSTEMS ROMANIA		•			FC	100	100	FC	100	100	

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		Reportable segments			31 December 2012			31 December 2011			
Company		Auto-motive	Environ-ment	Unal-located	Consolidation method	% voting rights	% Interest	Consolidation method	% voting rights	% Interest	Tax group
United Kingdom											
PLASTIC OMNIUM AUTOMOTIVE LTD		•			FC	100	100	FC	100	100	6
PLASTIC OMNIUM LTD				•	FC	100	100	FC	100	100	6
PLASTIC OMNIUM URBAN SYSTEMS LTD			•		FC	100	100	FC	100	100	6
INERGY AUTOMOTIVE SYSTEMS UK LTD	e1	•			-	-	-	FC	100	100	
SIGNATURE LTD	f21		•		FC	100	100	FC	100	65	
SULO MGB LTD			•		FC	100	100	FC	100	100	
HBPO UK LTD		•			P	33.33	33.33	P	33.33	33.33	
POST & COLUMN COMPANY LTD	f21		•		FC	100	100	FC	100	65	
Russia											
OOO STAVROVO AUTOMOTIVE SYSTEMS	i1	•			FC	100	100	FC	100	100	5
DSK PLASTIC OMNIUM INERGY	a2	•			FC	100	51	-	-	-	
Singapore											
SULO ENVIRONMENTAL SYSTEMS PTE Ltd			•		FC	100	100	FC	100	100	
Slovakia											
PLASTIC OMNIUM AUTO EXTERIORS S.R.O.		•			FC	100	100	FC	100	100	
INERGY AUTOMOTIVE SYSTEMS SLOVAKIA S.R.O.		•			FC	100	100	FC	100	100	
HBPO SLOVAKIA S.R.O		•			P	33.33	33.33	P	33.33	33.33	
Sweden											
PLASTIC OMNIUM AB			•		FC	100	100	FC	100	100	
Switzerland											
PLASTIC OMNIUM AG			•		FC	100	100	FC	100	100	
PLASTIC OMNIUM RE AG				•	FC	100	100	FC	100	100	
SIGNAL AG	f21		•		FC	50	50	FC	50	32.50	
Thailand											
INERGY AUTOMOTIVE SYSTEMS (THAILAND) LTD		•			FC	100	100	FC	100	100	
Turkey											
B.P.O. AS		•			FC	49.98	49.98	FC	49.98	49.98	

Consolidation method and notes:

FC: Full consolidation
P: Proportionate consolidation
EM: Equity method

Movements during the period:

a1 Companies newly-formed and/or in start-up phase in 2011
a2 Companies newly-formed and/or in start-up phase in 2012
b1 Companies acquired in 2011
b2 Companies acquired in 2012
c1 Companies divested in 2011
c2 Companies divested in 2012
c21 Companies sold as part of the unwinding of the partnership with Eurovia in 2012 (with effect from 1 January 2012).
d1 Companies merged in 2011
d2 Companies merged in 2012
d21 Merger of Plastic Omnium Signalisation SAS into Plastic Omnium Environnement Holding SAS
e1 Companies liquidated in 2011

e2 Companies liquidated in 2012
f1 Non-controlling interests bought out in 2011
f2 Non-controlling interests bought out in 2012
f21 Non-controlling interests acquired as part of the unwinding of the partnership with Eurovia in 2012 (with effect from 1 January 2012).
g1 Non-controlling interests sold in 2011
g2 Non-controlling interests sold in 2012
h1 Businesses acquired in 2011
h2 Businesses acquired in 2012
i1 Businesses sold in 2011
i2 Businesses sold in 2012

Y Companies whose name was changed in 2012
Y1 Plastic Omnium Environnement Holding SAS is the new name of Compagnie Signature SAS
Y2 Signalisation France SA is the new name of Signature SA
Y3 Plastic Omnium Signalisation SAS is the new name of Signature Vertical Holding SAS
Y4 Plastic Omnium Environnement GmbH is the new name of SULO Verwaltung und Technik GmbH
Y5 Plastic Omnium Caraïbes SAS is the new name of Plastic Omnium Caraïbe SASU
Y6 Plastic Omnium Environnement Guyane SAS is the new name of Plastic Omnium Environnement Guyane SASU
Y7 HBPO Beteiligungsgesellschaft GmbH is the new name of HBPO Beteiligungsgesellschaft mbH
Y8 SULO Emballagen Beteiligungs GmbH is the new name of SULO Emballagen GmbH
Y9 Plastic Omnium Auto Exteriors (India) Pvt Ltd is the new name of Plastic Omnium Varroc Private Ltd

Tax groups:
1 - a Plastic Omnium France
1 - b Signature Vertical Holding
2 - a SD Germany
2 - a Plastic Omnium GmbH (Germany)
3 Spain
4 - a United States
5 Netherlands
6 United Kingdom

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 2012, 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.

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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 2012 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.

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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. 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 carry forwards based on the probability of their future use. We reviewed the methods used to assess the recoverability of these tax loss carry forwards, 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 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.

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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.

Paris-La Défense, 27 February 2013

The statutory auditors
French original signed by

MAZARS | ERNST & YOUNG et Autres

JEAN-LUC BARLET | GILLES RABIER

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COMPANY **FINANCIAL STATEMENTS**

INCOME STATEMENT

(in thousands of euros)	Note	2012	2011
Net sales*		**1,746**	**1,559**
Provision reversals and expense transfers		1,537	982
Other operating revenue*		21,280	18,703
Total operating revenue	L	24,563	21,244
Purchases and other external charges	M	(20,897)	(18,345)
Taxes other than on income		(215)	(878)
Depreciation, amortization and provisions	N	(199)	(464)
Other expenses		(3,771)	(1,144)
Net operating income (loss)		(519)	413
Joint venture income		0	0
Net financial income	O	243,775	132,976
Income before non-operating items		243,256	133,389
Non-operating items	P	6,448	(9,822)
Income before tax		249,704	123,567
Corporate income tax	Q	2,884	11,046
NET INCOME		**252,587**	**134,613**
* Net sales and other operating revenue		23,026	20,262

BALANCE SHEET

(in thousands of euros)

ASSETS	Note	Dec. 31, 2012 Gross	Dec. 31, 2012 Depreciation, amortization and provisions	Dec. 31, 2012 Net	Dec. 31, 2011 Net
FIXED ASSETS					
Intangible assets	A	8,818	884	7,934	7,941
Property and equipment	B	10,513	3,335	7,178	4,817
Investments	C	736,751	19,296	717,455	654,344
Total fixed assets		**756,082**	**23,515**	**732,567**	**667,102**
CURRENT ASSETS					
Prepayments to suppliers	D	13	0	13	11
Trade receivables	D	2,446	0	2,446	1,684
Other receivables	D	578,639	3,466	575,173	444,672
Cash and cash equivalents	E	29,740	0	29,740	26,916
Total current assets		**610,838**	**3,466**	**607,372**	**473,283**
Prepaid expenses	F	176	0	176	514
Deferred charges (debt issuance costs)	F	1,556	0	1,556	0
Bond redemption premiums	F	1,662	0	1,662	0
Conversion losses	F	3,853	0	3,853	2,724
TOTAL		**1,374,167**	**26,981**	**1,347,186**	**1,143,623**

(in thousands of euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Dec. 31, 2012	Dec. 31, 2011
SHAREHOLDERS' EQUITY			
Share capital	G	8,782	8,939
Additional paid-in capital	H	65,913	82,968
Retained earnings and other reserves	I	461,543	360,497
NET INCOME FOR THE YEAR		252,587	134,613
Untaxed provisions	J	583	543
Total shareholders' equity		**789,408**	**587,560**
Provisions for contingencies and charges	J	24,955	12,302
LIABILITIES			
Bonds		252,123	0
Bank borrowings		178,741	469,000
Other borrowings		74,968	52,386
Trade payables		4,912	3,134
Accrued taxes and payroll costs		1,665	113
Other liabilities		17,402	15,698
Total liabilities	K	**529,811**	**540,331**
Accrued charges and deferred income		3,012	3,430
TOTAL		**1,347,186**	**1,143,623**

Note: Compagnie Plastic Omnium had €73.1 million in net debt at 31 December 2012, versus €69.2 million a year earlier.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FINANCIAL POSITION *(in thousands of euros)*	
Share capital	8,782
Shareholders' equity	789,408
Net financial liabilities	73,124
Net non-current assets	732,567
Total assets	1,347,186
Results of operations	
Operating revenue	24,563
Net operating income (loss)	(519)
Income before non-operating items	243,255
Non-operating items	6,448
Net income	252,587
Earnings per share (in euros)	**4.89**

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SIGNIFICANT EVENTS OF THE YEAR

Private placement

On 4 October 2012 Compagnie Plastic Omnium placed €250 million worth of EuroPP private placement notes with French institutional investors. The notes are not subject to any financial covenants.

Details of the issue are as follows:

Private placement	Euro PP
Total amount issued (in €)	250,000,000
Type of interest rate	Fixed
Maturity	12 December 2018
Interest rate	3.875%
Listed on	NYSE Euronext Paris

Development of the real estate portfolio

Compagnie Plastic Omnium owns a number of plots of land in the Gerland neighborhood of Lyon.

The Company has decided to develop these real estate assets by building a 33,000-square meter office complex for rental purposes, and has already entered into a 12-year lease with Sanofi for two-thirds of the building (signed on 29 January 2013).

Construction work will begin in early 2013 and the building is scheduled for delivery in the first quarter of 2015.

The land concerned was carried in the financial statements at €1,787 thousand at 31 December 2012 (unchanged from one year earlier).

Accounting policies

The financial statements of Compagnie Plastic Omnium have been prepared in accordance with French generally accepted accounting policies (CRC Regulation 99-03 as amended by the various regulations issued by the Comité de la Règlementation Comptable and the Autorité des Normes Comptables).

The accounting policies used to prepare the 2012 financial statements are the same as those used in the previous year. The significant accounting policies applied are described below.

Intangible assets

Intangible assets mainly comprise trademarks and patents, which are not amortized.

Patent filing fees are expensed as incurred.

Property and equipment

Compagnie Plastic Omnium owns a multipurpose office building. This building was leased to other companies until January 1, 2013 but since that date it has been used by the Company for its own operations.

Property and equipment are stated at cost and depreciated on a straight-line basis over their estimated useful lives, as follows:

- Buildings 20 to 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 entity concerned 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 its own shares to (i) maintain a liquid market for its shares under a liquidity contract with an investment firm, (ii) reduce the share capital by canceling shares, (iii) cover current or future stock option or stock grant plans for employees and officers of the Group, or (iv) 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 stock liquidity 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 recorded for unrealized conversion losses.

NOTES TO THE BALANCE SHEET

A - Intangible assets

(in thousands of euros)	**Dec. 31, 2011**	**+**	**-**	**Dec. 31, 2012**
Patents, trademarks and licenses	8,818			8,818
Total, gross	**8,818**			**8,818**
Accumulated amortization	877	7		884
TOTAL, NET	**7,941**	**(7)**		**7,934**

B - Property and equipment

(in thousands of euros)	**Dec. 31, 2011**	**+**	**-**	**Dec. 31, 2012**
Land	1,769		228	1,541
Buildings	3,516	4		3,520
Fixtures and fittings	2,594			2,594
Office equipment and furniture	43	41		84
Assets in progress	88	2,686		2,774
Total, gross	**8,010**	**2,731**	**228**	**10,513**
Accumulated depreciation	3,193	142		3,335
TOTAL, NET	**4,817**	**2,589**	**228**	**7,178**

The year-on-year increase in "Assets in progress" was due to the refurbishment of an office building in Nanterre, which the Group has decided to use for its own operations as from 1 January 2013.

C - Investments

(in thousands of euros)	Dec. 31, 2011	+	-	Dec. 31, 2012
Shares in subsidiaries and affiliates	660,758	75,000	1,594	734,164
Other long-term investments	14,232	38,098	49,872	2,458
Loans	129			129
Total, gross	**675,118**	**113,098**	**51,466**	**736,751**
Provisions for impairment	20,774	50	1,528	19,296
TOTAL, NET	**654,344**	**113,048**	**49,938**	**717,455**

The €1,549 thousand decrease in shares in subsidiaries and affiliates in 2012 was due to the liquidation of the subsidiary Plastic Omnium Auto Ltd.

Increases in shares in subsidiaries and affiliates during the year corresponded to:

- The recapitalization of Plastic Omnium GmbH (€50 million), with no change in the Company's ownership interest.
- The formation of Plastic Omnium Holding Co Ltd – a Chinese holding company that is wholly owned by Compagnie Plastic Omnium, representing an investment of €25 million.

At 31 December 2012, provisions for impairment of shares in subsidiaries and affiliates amounted to €19,296 thousand versus €20,774 thousand at the 2011 year-end. The decrease was primarily due to the reversal of provisions previously recorded for Plastic Omnium Auto Ltd shares, following the subsidiary's liquidation.

"Other long-term investments" include €309 thousand in Compagnie Plastic Omnium shares purchased under the liquidity contract.

At 31 December 2012 the Company did not have any outstanding loans due beyond one year, and loans granted to related companies amounted to €129 thousand.

D – Receivables

(in thousands of euros)	Dec. 31, 2012	Due within one year	Related companies
Prepayment to suppliers	13	13	
Trade receivables (1)	2,446	2,446	2,446
Tax receivables (2)	14,692	14,692	
Short-term loans	549,194	549,194	549,194
Other	11,274	3,540	3,540
TOTAL, NET	**577,619**	**569,885**	**555,180**

(1) Including €1,575 thousand in accrued income, mainly comprising royalties from licenses for trademarks (€984 thousand) and for patents (€547 thousand).

(2) Primarily including €11,423 thousand in research tax credits and €1,012 thousand in recoverable VAT.

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 purchase consideration payable to the Company in connection with the sale of 3P (€10,668 thousand but written down by €2,934 thousand). This amount is due beyond three years except if the acceleration clause in the sale agreement is triggered due to the purchaser ceasing to exercise control over the business or if the purchaser sells the business.
- €3,510 thousand in current accounts, corresponding to the tax payable by various members of the tax group headed by Compagnie Plastic Omnium.

E – Cash and cash equivalents

(in thousands of euros)	**Dec. 31, 2011**	**+**	**-**	**Dec. 31, 2012**
Marketable securities [1]	25,052	13,759	10,563	28,248
Cash	1,864		372	1,492
Total, gross	**26,916**	**13,759**	**10,935**	**29,740**
Accumulated impairments				
TOTAL, NET	**26,916**	**13,759**	**10,935**	**29,740**

(1) Marketable securities include €27,320 thousand in treasury stock allocated to existing stock option plans and €927 thousand in treasury stock held to cover future plans but not yet allocated.

At 31 December 2012, Compagnie Plastic Omnium held the following treasury shares:

- 30,000 shares allocated to the stock option plan set up by the Board of Directors on 25 April 2006, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 28 April 2005.
- 270,448 shares allocated to the stock option plan set up by the Board of Directors on 24 July 2007, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 24 April 2007.
- 773,442 shares allocated to the stock option plan set up by the Board of Directors on 22 July 2008, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 24 April 2008.
- 1,030,500 shares allocated to the stock option plan set up by the Board of Directors on 16 March 2010, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 28 April 2009.
- 842,000 shares allocated to the stock option plan set up by the Board of Directors on 6 March 2012, pursuant to the authorization given at the Extraordinary Shareholders' Meeting of 28 April 2011.
- 13,685 shares allocated to the liquidity contract.
- 134,500 shares held to cover future plans but not yet allocated.

As described in the section on accounting policies, treasury shares are classified either as investments (13,685 shares) or as marketable securities (3,080,910 shares), depending on their end purpose.

F – Prepaid expenses and accrued income

(in thousands of euros)	**Dec. 31, 2012**	**Dec. 31, 2011**
Prepaid expenses	176	514
Deferred charges (debt issuance costs)	1,556	
Note redemption premiums	1,662	
Conversion losses	3,853	2,724
TOTAL, NET	**7,247**	**3,238**

The issuance costs and redemption premium of the Euro PP notes that were placed by the Company during the year are being deferred over the life of the notes using the compounded interest method.

G – Share capital

The Company's share capital at 31 December 2012 amounted to €8,782,031.19, divided into 51,659,007 shares with a par value of €0.17 each.

On 12 September 2012 the Company's capital was reduced by €157,214.30 through the cancellation of 924,790 shares following a decision of the Board of Directors on 17 July 2012 to use the authorization given at the Extraordinary Shareholders' Meeting of 26 April 2012.

H – Additional paid-in capital

Additional paid-in capital totaled €65,913 thousand at 31 December 2012. The decrease of €17,055 thousand compared with 31 December 2011 was due to the capital reduction carried out by cancelling 924,790 treasury shares as described in Note G above.

I – Retained earnings and other reserves

(in thousands of euros)	Dec. 31, 2011	+	-	Dec. 31, 2012
Revaluation reserve	245			245
Legal reserve	1,453	12		1,465
Other reserves	41,683			41,683
Retained earnings	317,116	101,034		418,150
TOTAL	**360,497**	**101,046**		**461,543**

The €101,034 thousand increase in retained earnings was due to the appropriation of net income for the year ended 31 December 2011.

J – Provisions

(in thousands of euros)

Untaxed provisions	Dec. 31, 2011	+	-	Dec. 31, 2012
Excess tax depreciation	543	40		583
TOTAL	**543**	**40**		**583**

(in thousands of euros)			-		
Other provisions	**Dec. 31, 2011**	**+**	**Utilized**	**Surplus**	**Dec. 31, 2012**
Provisions for foreign exchange losses	2,723	3,853		2,723	3,853
Provisions for other contingencies	124				124
Provisions for taxes (see Note Q)	9,455	11,523			20,978
TOTAL	**12,302**	**15,376**		**2,723**	**24,955**

K – Liabilities

(in thousands of euros)	Dec. 31, 2012	Due within one year	Related companies	Dec. 31, 2011	Due within one year	Related companies
Notes [1]	252,123	2,123				
Bank borrowings [2]	178,741	13,109		469,000	51,575	
Other borrowings	74,968	74,968	17	52,386	52,386	30
Trade payables [3]	4,912	4,912	948	3,134	3,134	888
Accrued taxes and payroll costs	1,665	1,665		113	113	
Other liabilities	17,402	17,402	17,402	15,698	15,698	8,220
TOTAL	**529,811**	**114,178**	**18,366**	**540,331**	**122,905**	**9,138**

(1) See "Significant events of the year"; including €2,123 thousand in accrued interest.

(2) Including:
– €5 thousand in accrued interest
– $47 million in borrowings denominated in US dollars (€35.622 million)

(3) Including €3,526 thousand in accrued expenses, mainly comprising professional fees (€2,590 thousand), trademark license fees (€393 thousand) and the costs of property construction and renovation work (€543 thousand).

At 31 December 2012, bank borrowings due beyond one year totaled €165,633 thousand (€417,425 thousand at 31 December 2011), of which €3,221 thousand due beyond five years.

"Other borrowings" included €74,950 thousand in commercial paper at December 31, 2012 (€52,530 thousand at 31 December 2011), issued entirely in the domestic market. The commercial paper program corresponds to a revolving credit facility that can be drawn down for renewable one-month periods.

Accrued taxes and payroll costs mainly correspond to the tax liability of the tax group headed by Compagnie Plastic Omnium (€1,472 thousand).

The €17,401 thousand recorded under "Other liabilities" relates to current accounts corresponding to tax payable by the Company to other members of the tax group (including €15,568 thousand relating to various tax credits).

NOTES TO THE INCOME STATEMENT

L – Total operating revenue

Total operating revenue breaks down as follows:

(in thousands of euros)

By business segment	2012	2011
- License and service fees	21,278	18,700
- Other	3,285	2,544
TOTAL	**24,563**	**21,244**
By region	**2012**	**2011**
- France	10,532	9,770
- International	14,031	11,474
TOTAL	**24,563**	**21,244**

Operating revenue mainly includes:

- fees from the licensing of 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.

M – Purchases and other external charges

(in thousands of euros)	2012	2011
Executive management services	1,529	1,403
Overheads and headquarters expenses	3,221	2,052
Professional fees	4,029	3,560
Advertising, print collateral and publication	2,025	1,277
Travel and entertainment	1,277	741
Bank charges	7,140	5,422
Other	1,676	3,890
TOTAL	**20,897**	**18,345**

The year-on-year increase in this item was mainly due to a rise in structural costs (headquarters expenses and bank charges).

N – Depreciation, amortization and provisions

(in thousands of euros)

Deducted from assets	2011	+	-	2012
Patents and licenses	877	7		884
Buildings	676	109		785
Fixtures and fittings	2,474	32		2,506
Office equipment and furniture	42	1		43
Investments	20,774	50	1,528	19,296
Other receivables	3,466			3,466
Marketable securities				
Deferred charges				
TOTAL	**28,309**	**199**	**1,528**	**26,981**
Included in liabilities				
Untaxed provisions	543	40		583
Provisions for contingencies and charges	12,302	15,377	2,724	24,955
TOTAL	**12,845**	**15,417**	**2,724**	**25,538**

TOTAL INCREASE/DECREASE	**15,616**	**4,252**
Of which:	**Increase**	**Decrease**
Included in operating income and expense	149	
Included in financial income and expense	3,904	4,252
Included in non-operating items	11,563	

O – Net financial income

(in thousands of euros)	2012	2011
Dividend income [1]	240,739	136,194
Other financial income and expenses		
Interest income and expense	1,183	(2,567)
Foreign exchange gains and losses	1,504	985
Provision movements [2]	349	(1,636)
TOTAL	**243,775**	**132,976**

(1) Dividend income includes €36,917 thousand received from foreign subsidiaries and €203,822 thousand from French subsidiaries.

(2) Provision movements in 2012 primarily corresponded to a net €1,478 thousand reversal of provisions for impairment of investments in subsidiaries and affiliates and a net €1,129 thousand addition to provisions for foreign exchange losses.

Transactions with related parties represented net interest income of €12,114 thousand.

P – Non-operating items

(in thousands of euros)	2012		
	Income	**Expense**	**Net**
On revenue transactions			
On capital transactions	9,114	2,626	6,488
Provision movements		40	40
TOTAL	**9,114**	**2,666**	**6,448**

Net non-operating income for 2012 primarily includes (i) a €8,754 thousand net gain on sales of Compagnie Plastic Omnium shares, (ii) the €1,523 thousand loss arising on Plastic Omnium Limited following this subsidiary's liquidation, as referred to in Note C, and (iii) €514 thousand paid out under a claim on the seller's warranty given on the disposal of 3P.

Q – Corporate income tax

(in thousands of euros)	2012		
	Income before non-operating items	**Non-operating items**	**Net**
* Income before tax	243,257	6,448	249,704
* Tax adjustments	(240,697)	1,524	(239,173)
= Tax base	2,559	7,972	10,531
Tax at standard rate	(853)	(2,657)	(3,510)
Income after tax at standard rate	**242,403**	**3,791**	**246,194**
Impact of group relief			16,252
Addition to provisions for taxes			(11,523)
Other impacts			(1,845)
Total corporate income tax			**2,884**
INCOME AFTER TAX			**252,587**

Compagnie Plastic Omnium is the parent company of a tax group comprising 20 companies. The income tax benefit generated from group relief in 2012 came to €16.2 million, which has been recorded in full as income in the financial statements of Compagnie Plastic Omnium.

During the year, Compagnie Plastic Omnium recorded an €11.5 million provision for taxes to reflect the use by the tax group of subsidiaries' tax losses that the subsidiaries themselves may wish to use in the future if they return to profit. In such a case the Company would be required to pass back the related tax benefit.

At 31 December 2012 the tax group had tax loss carry forwards of €27.4 million (including €10.3 million related to Inergy's increased base), which will reduce the future tax charge by €9.1 million.

In 2012, €13.1 million worth of the tax loss carry forwards arising since 2000 were used to offset taxable profits generated by companies in the tax group.

Unrecognized deferred tax assets and liabilities, calculated at a tax rate of 33.33%, broke down as follows at 31 December 2012:

Non-deductible provisions and accrued expenses	€1,284 thousand
Expenses related to the acquisition of Inergy shares	€106 thousand
Conversion gains	€1,004 thousand
Share in net loss of Plastic Omnium Gestion	€898 thousand
Conversion losses	€(1,285) thousand
NET UNRECOGNIZED DEFERRED TAX ASSET	**€2,007 THOUSAND**

Other information

Off-balance sheet commitments

Commitments given

(in thousands of euros)	**Dec. 31, 2012**
Guarantees*	282,823
Collateral	5,416
TOTAL	**288,239**

* Guarantees given to banks on behalf of subsidiaries

There were no other material commitments at 31 December 2012 or commitments that might become material in the future.

Commitments received

When it acquired 50% of Inergy Automotive Systems SA in 2010, 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 €5,416 thousand under a 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 2012 amounted to €247.979.

Subsequent events

In January 2013 the Company signed a 12-year agreement to lease to a third party part of an office building currently under construction in Lyon (see "Significant events of the year" for further details).

No other significant events have occurred since 31 December 2012 that would be likely to have a material impact on the Company's business, financial position, results or assets.

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 2012, Burelle SA held 56.09% of the capital of Compagnie Plastic Omnium (59.66% excluding treasury stock).

FIVE-YEAR FINANCIAL SUMMARY

(in thousands of euros)

	2008	2009	2010	2011	2012
1 - Capital at year-end					
a) Share capital	9,073	8,822	8,822	8,939	8,782
b) Shares outstanding*	18,146,794	17,644,599	17,644,599	52,583,797	51,659,007
c) Convertible bonds outstanding	0	0	0	0	0
2 – Results of operations					
a) Net sales	18,218	15,467	22,068	21,244	24,563
b) Income/(loss) before tax, depreciation, amortization and provisions	(11,283)	27,508	75,853	134,290	249,647
c) Corporate income tax	5,422	11,668	15,383	11,046	14,407
d) Net income	17,829	90,911	107,967	134,613	252,587
e) Dividends	6,351 (1)	12,351 (2)	24,702 (3)	36,283 (4)	39,261 (5)
3 – Per-share data					
a) Income/(loss) after tax, before depreciation, amortization and provisions	(0.32)	2.22	5.17	2.76	5.11
b) Earnings per share	0.98	5.15	6.12	2.56	4.89
c) Dividend per share	0.35	0.70	1.40	0.69	0.76
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

* The Company carried out a three-for-one stock split on 10 May 2011

(1) Including €422 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.

(2) Including €1,095 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.

(3) Including €2,235 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.

(4) Including €2,717 thousand due on treasury shares that was not paid out as these shares do not carry dividend rights.

(5) 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

SUBSIDIARIES	Share capital	% interest
PLASTIC OMNIUM AUTO SAS	€15,021,440	100.0%
19, avenue Jules Carteret - 69007 Lyon - France		
TRANSIT SAS	€37,500	100.0%
19, avenue Jules Carteret - 69007 Lyon - France		
PLASTIC OMNIUM ENVIRONNEMENT	€4,900,000	100.0%
19, avenue Jules Carteret - 69007 Lyon - France		
PLASTIC OMNIUM AUTO EXTERIORS SAS	€54,037,500	100.0%
19, avenue Jules Carteret - 69007 Lyon - France		
PLASTIC OMNIUM GESTION SNC	€2,011,500	100.0%
19, avenue Jules Carteret - 69007 Lyon - France		
PLASTIC OMNIUM VERNON	€150,000	100.0%
19, avenue Jules Carteret - 69007 Lyon - France		
PLASTIC OMNIUM GmbH	€13,500,000	100.0%
Romanstrasse 35- 80639 Munich - Germany		
COMPANIA PLASTIC OMNIUM SA	€30,350,000	100.0%
Calle Pouet de Nasio - Parcela n° 5 - Ribarroja del Turia - Valencia - Spain		
PLASTIC OMNIUM RE AG	CHF 16,167,000	100.0%
Sternengasse 21 - CH - 4010 Zug - Switzerland		
PLASTIC OMNIUM INTERNATIONAL SAS	€37,500	100.0%
19, avenue Jules Carteret - 69007 Lyon - France		
PLASTIC OMNIUM FINANCE SNC	€247,500	100.0%
19, avenue Jules Carteret - 69007 Lyon - France		
PLASTIC OMNIUM SHANGHAI BUSINESS CONSULTING CO LTD	RMB 2,303,500	100.0%
Suite 1105, Building 20, N° 487 Tianlin Road, Caoejing, High Tech Park, 200233 Shanghai - China		
PO MANAGEMENT 1 SAS	€37,500	100.0%
19, avenue Jules Carteret - 69007 Lyon - France		
PO MANAGEMENT 2 SAS	€37,500	100.0%
19, avenue Jules Carteret - 69007 Lyon - France		
INERGY AUTOMOTIVE SYSTEMS SAS	€119,796,330	76.8%
19, avenue Jules Carteret - 69007 Lyon - France		
PLASTIC OMNIUM HOLDING (Shanghai) CO LTD	RMB 203,540,000	100.0%
RM 2802, F28 Building 3 No 391 Guiping Road Shanghai - China		
AFFILIATES		
BPO AS	TRL 5,075,831	50.0%
Y.Yalova Yolu 8 km, Panayir - Bursa - Turkey		
PLASTIC RECYCLING SAS	€123,000	50.0%
ZA du Monay - Saint Eusèbe - 71210 Montchanin - France		

	Subsidiaries		Affiliates	
(in thousands of euros)	**French**	**International**	**French**	**International**
Book value of shares				
- Gross	493,859	233,271	2,753	4,156
- *Net*	*492,607*	*216,292*	*1,738*	*4,156*
Loans and advances granted	547,458		1,737	0
Guarantees given				
Dividends received	203,822	34,000		2,917

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended 31 December 2012

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 2012, 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.

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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 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

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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:

- 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.

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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 the 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 controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris-La-Défense, 27 February 2013

The statutory auditors
French original signed by

ERNST & YOUNG ET AUTRES

MAZARS

Gilles RABIER

Jean-Luc BARLET

STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

General Meeting of Shareholders to approve the financial statements for the year ended 31 December 2012

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.

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AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

In accordance with Article L.225-38 of the French Commercial Code (*Code de commerce*), we hereby inform you that we have not been advised of any related party agreements or commitments authorized in the course of the year and to be submitted to the General Meeting of Shareholders for approval.

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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.

Payment for assignment of trademarks

INERGY AUTOMOTIVE SYSTEMS holds a number of trademarks.

Further to the total acquisition, with effect as from 8 September 2010, of the shares of the 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, 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 2012, your company recognized a charge of 1,828,196 euros in respect of this agreement.

Board member concerned: Mr. Laurent Burelle

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.

Payments for assignment of trademarks paid by companies of the Group

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 2012, your company recognized income of 11,392,153 euros in respect of these agreements, entered into with the following companies:

Entities	People concerned:
Compañia Plastic Omnium SA	Mr. Laurent Burelle, Mr. Jean Burelle, Mr. Paul Henry Lemarié and Mr. Jean-Michel Szczerba
Plastic Omnium Auto Exteriors LLC	Mr. Jean-Michel Szczerba
Plastic Omnium Environnement SAS	Mr. Laurent Burelle, Mr. Jean Burelle, Mr. Paul Henry Lemarié and Mr. Jean-Michel Szczerba
Plastic Omnium Auto Extérieur SA	Mr. Jean-Michel Szczerba
Plastic Omnium Vernon SAS	Mr. Jean-Michel Szczerba
BPO – B.PLAS Plastic OmniumOtomotiv Plastic Yan Sanayi A.S	Mr. Jean-Michel Szczerba
Plastic Omnium GmbH	Mr. Laurent Burelle
Plastic Omnium Auto Extérieur Services	Mr. Jean-Michel Szczerba
Plastic Omnium Auto Exteriors SP Zoo	Mr. Jean-Michel Szczerba
Plastic Omnium Automotive Limited	Mr. Jean-Michel Szczerba
Plastic Omnium Automotive NV	Mr. Jean-Michel Szczerba
Yanfeng Plastic Omnium Automotive Systems Co Ltd	Mr. Jean-Michel Szczerba
Inergy Automotive Systems LLC	Mr. Paul Henry Lemarié and Mr. Jean-Michel Szczerba

COMPAGNIE PLASTIC OMNIUM holds:

- 100% of the voting rights in COMPANIA PLASTIC OMNIUM SA,
- 100% of the voting rights in PLASTIC OMNIUM ENVIRONNEMENT SAS,
- 100% of the voting rights in PLASTIC OMNIUM VERNON SAS,
- 100% of the voting rights in PLASTIC OMNIUM GmbH,
- 100% of the voting rights in PLASTIC OMNIUM AUTO EXTERIORS SAS which itself holds:
  - 100% of the voting rights in PLASTIC OMNIUM AUTO EXTERIORS SP Zoo,
  - 100% of the voting rights in PLASTIC OMNIUM AUTOMOTIVE Limited,
  - 100% of the voting rights in PLASTIC OMNIUM AUTOMOTIVE NV,
  - 49.95% of the voting rights in YANFENG PLASTIC OMNIUM AUTOMOTIVE SYSTEMS Co Ltd,
  - 100% of the voting rights in PO AUTO EXTERIEUR SA, which itself holds 100% of the voting rights in PO AUTO EXTERIEUR SERVICES SAS.

- 100% of the voting rights in PLASTIC OMNIUM AUTO SAS which itself holds:
•100% of the voting rights in PLASTIC OMNIUM Inc, which itself holds 100% of the voting rights in PO AUTO EXTERIORS LLC,
•100% of the voting rights in PLASTIC OMNIUM INC, which itself holds 100% of the voting rights in PLASTIC OMNIUM INDUSTRIES INC, which itself holds 99.8% of the voting rights in INERGY AUTOMOTIVE SYSTEMS LLC
•23.2% of the voting rights in INERGY AUTOMOTIVE SYSTEMS, which itself holds 100% of the voting rights in INERGY AUTOMOTIVE SYSTEMS HOLDING INC, which itself holds 0.2% of the voting rights in INERGY AUTOMOTIVE SYSTEMS LLC

- 50% of the voting rights in B. PLAS PLASTIC OMNIUM OTOMOTIV PLASTIC YAN SANAYI A.S.

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 2012, your company recognized income of 408,507 euros in respect of this agreement.

Board member concerned: Mr. Jean-Michel Szczerba

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

In respect of this agreement entered into with Burelle SA, your Company recorded a charge for management services provided to the group for an amount of 1,271,667 euros in 2012.

People concerned: Mr Jean Burelle, Mr Laurent Burelle, Mr Paul Henry Lemarié and Mrs Eliane Lemarié.

Under the supplementary pension plan set up in accordance with the authorizations granted by the Board of Directors of Compagnie Plastic Omnium S.A. and Burelle SA on 11 December 2003 and 19 December 2003 respectively, corporate officers are eligible for pension benefits representing up to 10% of their current compensation. Part of the related cost paid by Burelle SA is theoretically allocated to Compagnie Plastic Omnium on the basis of the same ratio as that used to calculate its share of management fees.

Payments made by Compagnie Plastic Omnium under this agreement amounted to 241,946 euros in 2012.

People concerned: Mr. Jean Burelle, Mr. Laurent Burelle and Mr. Paul Henry Lemarié and Ms. Eliane Lemarié

Paris-La Défense, 27 February 2013

The statutory auditors
French original signed by

ERNST & YOUNG ET AUTRES — MAZARS

Gilles RABIER — Jean-Luc BARLET

07

INFORMATION ON THE COMPANY **AND ITS CAPITAL**

7.1 INFORMATION ON THE COMPANY

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GENERAL INFORMATION

Company name and registered office

The Company's name is Compagnie Plastic Omnium. Its registered office is located at 19 avenue Jules Carteret, 69007 Lyon, France and its administrative headquarters are at 1 rue du Parc, 92593 Levallois Cedex, France.

Registration particulars

The Company is registered with the Lyon Trade and Companies Registry under number 955 512 611.

Legal form and governing law

Compagnie Plastic Omnium is a joint stock company *(société anonyme)* with a Board of Directors. It is governed by French law, and notably the French Commercial Code.

Term

The Company's term expires on 31 December 2017.

At the Annual Shareholders Meeting of 25 April 2013, shareholders will be asked to extend said term for a period expiring on 24 April 2112.

Fiscal year

The Company's fiscal year covers the twelve-month period from 1 January to 31 December.

Corporate purpose

In accordance with Article 3 of the bylaws, the Company's corporate purpose is to:

- Process all forms of plastic, metal and other raw materials for the purpose of manufacturing all types of products and articles for any and all uses, particularly for industrial usage.
- Manage its fixed and movable assets.
- Acquire, build, lease, fit out, enhance and operate any land or buildings.
- Acquire any equity or other interest in any company, enterprise or other entity, in France or abroad, irrespective of its corporate purpose, notably by acquiring or purchasing any form of shares or other securities in such entities.
- Manage its portfolio of equity interests and investment securities.
- Carry out any and all works and services for the administrative operation and maintenance of buildings (other than acting as a building agent).
- More generally, conduct any and all transactions of an industrial, commercial or financial nature or involving real estate or other assets that relate directly or indirectly to said purpose or that may be deemed incidental or conducive to the attainment of said purpose.

The Company may, both in France and abroad, create, acquire, use or grant licenses to use any and all trademarks, designs, models, patents and manufacturing processes related to the foregoing purpose. It may operate in all countries, directly or indirectly, acting on its own behalf or on behalf of a third party. It may conduct these operations either alone or with any and all other persons or companies within a partnership, joint venture, consortium or other corporate entity, and may carry out any and all transactions which fall within the scope of its corporate purpose.

Compagnie Plastic Omnium's role in relation to its subsidiaries

Compagnie Plastic Omnium is a holding company which:

- Holds shares in the holding entities of each business line, which in turn directly or indirectly own the shares of the Group's operating subsidiaries.
- Provides financing for Group subsidiaries in order to enable them to benefit from the best possible market conditions, either directly, or indirectly through Plastic Omnium Finance (the head of the Group's cash pool).
- Grants Group subsidiaries rights to use the trademarks owned by the Company in return for license fees paid by the subsidiaries concerned (see the Statutory Auditors' report on related party agreements).

7.2 INFORMATION ON THE COMPANY'S CAPITAL

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SHARE CAPITAL

Compagnie Plastic Omnium's shares are traded on NYSE Euronext Paris (compartment A) and are included in the SBF 120 and CAC Mid 60 indexes.

At 31 December 2012, the Company's share capital amounted to €8,782,031.19, divided into 51,659,007 fully paid-up shares with a par value of €0.17 each. During 2012, the Company's capital was reduced by the cancellation of 924,790 treasury shares on 12 September.

Voting rights

Other than the double voting rights described below, each share carries the right to one vote at Shareholders Meetings, such that each shareholder has a number of votes equal to the number of shares held that have been paid up for all amounts called.

In accordance with Article 16 of the Company's bylaws, 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 reserves, retained earnings 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.

At 31 December 2012, excluding treasury shares, a total of 48,564,412 shares carried voting rights, of which 29,530,329 shares with double voting rights.

Potential capital and securities carrying rights to shares

At 31 December 2012 there were no outstanding securities carrying direct or indirect rights to Compagnie Plastic Omnium's shares.

No stock options exercisable for new shares were outstanding at the year-end.

Authorizations to issue shares and/or securities carrying rights to shares or debt securities, and use of such authorizations

The tables below summarize the financial authorizations granted by shareholders to the Company's Board of Directors.

Authorizations granted to the board of directors at the Annual Shareholders Meeting of 24 April 2007

Resolution no.	Type of authorization	Duration and expiry date	Ceiling	Use of the authorization
10	Authorization to reduce the Company's capital by cancelling treasury shares	5 years, expiring on 23 April 2012	10% of the capital per 24-month period	Cancellation of: - 262,650 treasury shares on 1 August 2007 - 556,118 treasury shares on 12 December 2008 - 502,195 treasury shares on 15 October 2009 - 350,000 treasury shares on 3 November 2011

Authorizations granted to the board of directors at the Annual Shareholders Meeting (AGM) of 28 april 2011

Resolution no.	Type of authorization	Duration and expiry date	Ceiling	Use of the authorization
6	Authorization to trade in the Company's shares	18 months, expiring on 27 October 2012 (authorization superseded by the 6th resolution of the 26 April 2012 AGM)	Maximum purchase price: €153 – Maximum number of shares: 10% of the capital – Maximum aggregate amount invested in the buyback program: €269,962,380	Compagnie Plastic Omnium held treasury shares representing 7.63% of its capital at 26 April 2012
12	Authorization to issue, with pre-emptive subscription rights for existing shareholders, shares and/or securities carrying rights to shares of the Company or to debt securities	26 months, expiring on 27 June 2013	€300 million for shares – €150 million for debt securities	-
14	Authorization to carry out employee share issues	26 months, expiring on 27 June 2013	€264,669, corresponding to 529,338 shares	-
15	Authorization to grant stock options to officers and/or employees of the Company and/or of other Group companies	38 months, expiring on 27 June 2014	Total number of shares under option: shares representing 2.5% of the capital, included in the 2.5% capital ceiling set in the 16th resolution of the 28 April 2011 AGM	889,500 stock options granted exercisable for new shares
16	Authorization to grant shares free of consideration to officers and/or employees of the Company and/or of other Group companies	38 months, expiring on 27 June 2014	Total number of shares granted: shares representing 2.5% of the capital, included in the 2.5% capital ceiling set in the 15th resolution of the 28 April 2011 AGM	-

Authorizations granted to the board of directors at the Annual Shareholders Meeting of 26 april 2012

Resolution no.	Type of authorization	Duration and expiry date	Ceiling	Use of the authorization
5	Authorization to trade in the Company's shares	18 months, expiring on 25 October 2013	Maximum purchase price: €60 – Maximum number of shares: 10% of the capital – Maximum aggregate amount invested in the buyback program: €315,502,740	Compagnie Plastic Omnium held treasury shares representing 5.99% of its capital at 31 December 2012
18	Authorization to reduce the Company's capital by cancelling treasury shares	26 months, expiring on 25 June 2014	10% of the capital per 24-month period	924,790 treasury shares cancelled on 12 September 2012

Changes in the Company's capital over the last five years

Year and type of corporate action	Amount of capital increase/ reduction		New share capital (in €)	Aggregate premium (in €)	Aggregate number of shares
	Par value	Premium			
March 2008 Capital increase following issue of 39,140 shares on exercise of stock options	19,570	591,405.40	9,335,666	83,977,279.35	18,671,332
December 2008 Capital reduction through cancellation of 556,118 treasury shares	278,059	4,565,729	9,057,607	79,411,550.35	18,115,214
March 2009 Capital increase following issue of 31,580 shares on exercise of stock options	15,790	477,173.80	9,073,397	79,888,724.15	18,146,794
October 2009 Capital reduction through cancellation of 502,195 treasury shares	251,097.50	7,819,176.15	8,822,299.50	72,069,548	17,644,599
April 2011 Capital increase to round up the par value of the shares following a three-for-one stock split under which the par value was reduced from €0.50 to €0.17	176,455.99	-	8,998,745.49	72,069,548	52,933,797
November 2011 Capital reduction through cancellation of 350,000 treasury shares	59,500	6,490,200	8,939,245.49	65,579,348	52,583,797
September 2012 Capital reduction through cancellation of 924,790 treasury shares	157,214.30	17,055,373.45	8,782,031.19	48,523,974.55	51,659 ,007

Share buyback program

Share buybacks carried out in 2012

In 2012, the Company purchased 1,882,744 of its own shares for an aggregate €37,278,110.20, representing an average per-share purchase price of €19.80.

Percentage of Compagnie Plastic Omnium shares held directly and indirectly by the Company at 31 December 2012 Of which:	5.99%
• Allocated to existing stock option plans	5.70%
• Held for cancellation	-
Number of shares cancelled over the past 24 months	1,274,790
Number of own shares held in treasury	3,094,595
Carrying amount of treasury shares held at 31 December 2012	€28,556,399.43
Market value of treasury shares held at 31 December 2012	€70,510,347.08

	Aggregate movements		
	Purchases	**Sales**	**Exercised stock options**
Number of shares	1,882,744	1,056,840	1,380,410
Average price	€19.80	€20.79	-
Average exercise price	-	-	€11.77
Amounts	€37,278,110.20	€21,972,510.58	€16,245,509.58

The fifth resolution of the Annual Shareholders Meeting of 26 April 2012 authorized the Board of Directors to trade in the Company's shares subject to the following conditions:

Maximum per-share purchase price:	€60
Maximum number of treasury shares that may be held:	Shares representing 10% of the Company's capital
Maximum aggregate amount that may be invested in the buyback program:	€315,502,740

Between 27 April and 31 December 2012, the Company purchased 1,314,636 shares for a total of €25,783,694.39, or €19.61 per share, including 638,552 shares under the liquidity contract and 676,084 shares for other purposes. During the same period, the Company sold 655,030 shares under the liquidity contract for an aggregate €13,597,048.54 or €20.76 per share.

Buybacks carried out since 1 January 2013

Between 1 January 2013 and 15 February 2013, the Company purchased 52,405 shares under the liquidity contract for a total of €1,461,155.85, or €27.88 per share. During the same period, the Company sold 63,367 shares under the liquidity contract for an aggregate €1,742,492.44, or €27.50 per share.

At 15 February 2013, Compagnie Plastic Omnium held 3,065,631 treasury shares, representing 5.93% of its capital and breaking down as follows:

2,723 shares purchased under the liquidity contract, which complies with the Code of Ethics issued by the French Association of Investment Firms (AFEI)
3,062,908 shares held for allocation to employees or officers of the Company or of other Group companies

Description of the share buyback program submitted for approval at the Annual Shareholders Meeting of 25 april 2013

The description below is provided in compliance with Articles 241-1 to 241-6 of the General Regulations of the AMF in order to set out the purposes and terms and conditions of the share buyback program that will be submitted for approval at the Annual Shareholders Meeting to be held on 25 April 2013.

Purposes of the share buyback program

The shares purchased by Compagnie Plastic Omnium under the share buyback program will be used for the following purposes:

- To maintain 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).
- To be held for subsequent cancellation as part of a capital reduction decided or authorized by shareholders in an Extraordinary Meeting.

- For allocation on exercise of stock options granted to Group employees or officers.
- For allocation under stock grants made to Group employees or officers in accordance with Articles L.225-197-1 et seq. of the French Commercial Code.
- To be held in treasury for subsequent delivery in exchange or payment for acquisitions.

Terms and conditions

Ceilings on the number of shares that may be purchased under the buyback program and on the total amount invested

Compagnie Plastic Omnium will be authorized to purchase a maximum aggregate number of shares representing 10% of its capital (5,165,900 shares with a par value of €0.17 each, based on the Company's capital at 15 February 2013).

Taking into account the 3,094,595 treasury shares held at 31 December 2012, the maximum number of shares that could be purchased under the share buyback program would therefore be 2,071,305.

Consequently, the maximum aggregate amount that could be invested in the program (net of transaction costs) would be €124,278,300, based on the maximum purchase per-share purchase price of €60 provided for in the fifth resolution to be submitted for approval at the Annual Shareholders Meeting of 25 April 2013.

Term of the share buyback program

The authorization to carry out the share buyback program will be valid for a period of 18 months as from the approval of the fifth resolution presented at the Annual Shareholders Meeting of 25 April 2013, and will therefore expire on 24 October 2014.

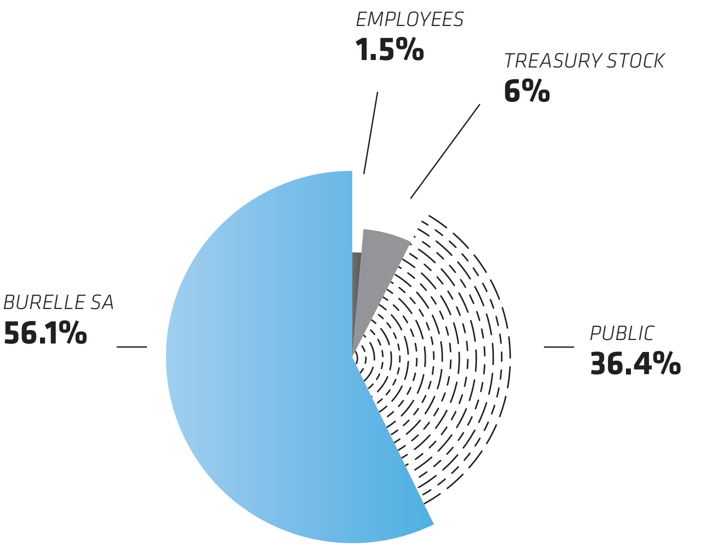
Ownership structure

At 31 December 2012, 56.09% 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 the same date, the 1,404 members of the employee stock ownership plan held 763,488 Compagnie Plastic Omnium shares, representing 1.5% of the Company's capital.

At the 2012 year-end, the Company carried out a survey of the identifiable holders of bearer shares, which showed that 3,837,815 shares are held by individual shareholders.

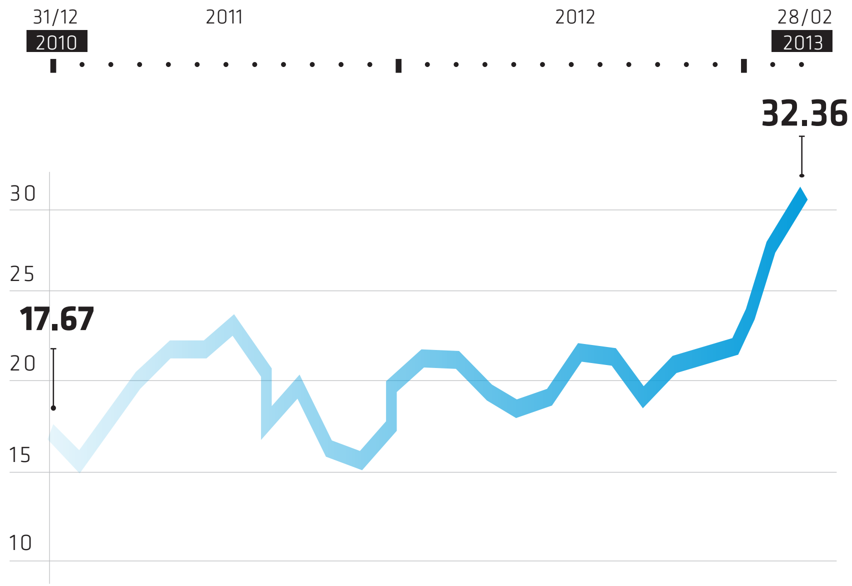
OWNERSHIP STRUCTURE
at 31 December 2012



Stock market information

Compagnie Plastic Omnium shares are traded on NYSE Euronext Paris (compartment A) where they are eligible for the deferred settlement service (SRD). They are included in the SFB 120 and CAC Mid 60 indexes.

SHARE PERFORMANCE



Plastic Omnium month-end share price (in €)

KEY STOCK MARKET DATA

	2010	2011	**2012**
Market capitalization (at 31 December, in € millions)	935	808	**1,177**
Dividend per share* (in €)	0.47*	0.69*	**0.76**

** After three-for-one stock split*

FINANCIAL PUBLICATIONS
CALENDAR

24 January 2013
2012 revenue release

28 February 2013
2012 results release

18 April 2013
First-quarter 2013 revenue release

24 July 2013
2013 interim results release

17 October 2013
Third-quarter 2013 revenue release

SHAREHOLDERS'
CALENDAR

Annual Shareholders Meeting
25 April 2013

Dividend payment date
3 May 2013

N° Vert 0 800 777 889
TOLL-FREE NUMBER (FRANCE ONLY)

Registrar
BNP Paribas Securities Services
Tel.: +33 (0)826 109 119

Stock option plans

Compagnie Plastic Omnium has set up a number of stock option plans, whose characteristics were as follows at 31 December 2012:

					After the three-for-one stock split		
Shareholders Meeting	**Board of Directors meeting**	**Original exercise price (in €)**	**Number of grantees**	**Number of options originally granted**	**Exercise price (in €)**	**Number of options**	**Options exercised or forfeited in 2012**
22 April 2004	11 March 2005	21.15	54	237,000	7.05	711,000	711,000
28 April 2005	25 April 2006	34.90	11	267,000	11.63	801,000	771,000
24 April 2007	24 July 2007	39.38	65	330,000	13.12	990,000	719,512
24 April 2008	22 July 2008	26.51	39	350,000	8.83	1,050,000	276,578
28 April 2009	16 March 2010	25.60	124	375,000	8.53	1,125,000	94,500
28 April 2011	6 March 2012	-	208	-	22.13	889,500	47,500

Information on stock option grants						
Date of Shareholders Meeting	Plan no. 1	Plan no. 2	Plan no. 3	Plan no. 4	Plan no. 5	Plan no. 6
Date of Board of Directors Meeting	11 March 2005	25 April 2006	24 July 2007	22 July 2008	16 March 2010	6 March 2012
Total number of shares under option	711,000	801,000	990,000	1,050,000	1,125,000	889,500
Of which under options held by officers of the Company:						
Laurent BURELLE Chairman and Chief Executive Officer	36,000	150,000	150,000	180,000	150,000	120,000
Paul Henry LEMARIE Member of the Board and Chief Operating Officer	18,000	108,000	90,000	90,000	90,000	60,000
Jean-Michel SZCZERBA Member of the Board and Chief Operating Officer	16,000	90,000	90,000	120,000	120,000	80,000
Start date of exercise period	15 March 2009	25 April 2010	10 August 2011	4 August 2012	1 April 2014	21 March 2016
Expiry date	14 March 2012	24 April 2013	9 August 2014	3 August 2015	31 March 2017	20 March 2019
Exercise price (in €)	7.05	11.63	13.12	8.83	8.53	22.13
Exercise terms and conditions (for plans with several tranches)	-	-	-	-	-	-
Number of shares purchased at 31 December 2012	711,000	771,000	716,512	255,578	6,000	-
Aggregate number of options cancelled or forfeited	-	-	3,000	21,000	88,500	47,500
Stock options outstanding at 31 December 2012	-	30,000	270,488	773,422	1,030,500	842,000

Stock options granted to the ten employees (excluding executive officers) who received the highest number of options, and options exercised by the ten employees exercising the highest number of options

	Number of options granted/shares purchased	Weighted average exercise price	Expiry of exercise period	Date of Board Meeting
Options granted during the year by Compagnie Plastic Omnium and other Group companies to the ten Group employees who received the highest number of options	176,000	22.13	20 March 2019	6 March 2012
Options exercised during the year by the ten Group employees who exercised the highest number of options	33,000	7.05	10 March 2012	11 March 2005
	49,000	11.63	24 April 2013	25 April 2006
	92,928	13.12	10 August 2014	24 July 2007
	101,469	8.83	3 August 2015	22 July 2008

08

ANNUAL SHAREHOLDERS **MEETING**

8.1 AGENDA

Ordinary resolutions

- **First resolution:** Approval of the Company financial statements.
- **Second resolution:** Net income appropriation.
- **Third resolution:** Approval of related-party agreements governed by Article L.225-38 of the French Commercial Code.
- **Fourth resolution:** Approval of the consolidated financial statements.
- **Fifth resolution:** Authorization to the Board of Directors to trade in the Company's shares.
- **Sixth resolution:** Election of a director (Amélie Oudéa-Castéra).
- **Seventh resolution:** Directors' fees.

Extraordinary resolutions

- **Eighth resolution:** Authorization to the Board of Directors to issue ordinary shares and/or securities with rights to shares and/or securities with rights to debt securities, with pre-emptive subscription rights for existing shareholders.
- **Ninth resolution:** Authorization to the Board of Directors to increase the size of issues of shares or securities with rights to shares or to debt securities, with pre-emptive subscription rights, carried out pursuant to the 8th resolution.
- **Tenth resolution:** Authorization to the Board of Directors to grant stock options to employees and/or officers of the Company and/or other Group companies.
- **Eleventh resolution:** Authorization to the Board of Directors to grant rights to shares to employees and/or officers of the Company and/or other Group companies.
- **Twelfth resolution:** Extension of the Company's term and amendment of Article 5 (Term) of the bylaws.
- **Thirteenth resolution:** Three-for-one stock-split and amendment of Articles 6 (Share capital) and 11 (Administration) of the bylaws.
- **Fourteenth resolution:** Powers to execute the Shareholders Meeting's decision and carry out formalities.

8.2 TEXTS OF THE RESOLUTIONS PRESENTED AT THE ANNUAL SHAREHOLDERS MEETING OF 25 APRIL 2013

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ORDINARY RESOLUTIONS

First resolution: Approval of the Company financial statements

Having considered the Company financial statements for the year ended 31 December 2012, the report of the Board of Directors and the Auditors' report on the financial statements, and voting in accordance with the quorum and majority rules applicable to ordinary shareholders meetings, the shareholders approve the Company financial statements for the year ended 31 December 2012 as presented, showing net profit of €252,587,334.69, as well as the transactions reflected in those financial statements or described in those reports.

Second resolution: Net income appropriation

Voting in accordance with the quorum and majority rules applicable to ordinary shareholders meetings and having noted that the Company's net income for the year amounts to €252,587,334.69 and retained earnings stand at €418,149,536.73, the shareholders approve the Board of Directors' recommendation and resolve to appropriate the total net amount of €670,736,871.42 as follows:

- To dividends on the 51,659,007 shares outstanding at 31 December 2012	€39,260,845.32
- To retained earnings	€631,476,026.10
- To the statutory reserve	€0
	€670,736,871.42

Consequently, the Shareholders Meeting sets the 2012 dividend at €0.76 per share. Individual shareholders resident in France for tax purposes will qualify for the 40% tax relief provided for in Article 158-3-2 of the French General Tax Code on the total dividend.

The dividend will be paid as from 3 May 2013, 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 Meeting notes that, after deducting dividends not paid on treasury stock, dividends for the last three years were as follows:

Year	Number of shares with dividend rights	Total dividend *(in euros)*	Net dividend per share *(in euros)*
2009*	16,080,282 shares with dividend rights	11,256,197	0.70
2010*	16,048,366 shares with dividend rights	22,467,712	1.40
2011*	48,646,437 shares with dividend rights	33,566,042	0.69

**The 2009, 2010 and 2011 dividends were fully eligible for the 40% tax relief for individual shareholders resident in France for tax purposes provided for in Article 158-3-2° of the French General Tax Code.*

Third resolution: Approval of related-party agreements governed by Article L.225-38 of the French Commercial Code

Voting in accordance with the quorum and majority rules applicable to ordinary shareholders meetings and having considered the Auditors' special report on related-party agreements governed by Article L.225-38 of the French Commercial Code, the shareholders note the agreements mentioned in said report that remained in force during the year.

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 in accordance with the quorum and majority rules applicable to ordinary shareholders meetings, the shareholders approve the consolidated financial statements for the year ended 31 December 2012 as presented, showing net profit attributable to owners of the parent of €173,382 thousand, as well as the transactions reflected in those financial statements or referred to in those reports.

Fifth resolution: Authorization to the Board of Directors to trade in the Company's shares

Having considered the report of the Board of Directors and voting in accordance with the quorum and majority rules applicable to ordinary shareholders meetings, the shareholders authorize the Board to buy back the Company's shares, in accordance with Articles L.225-209 *et seq*. of the French Commercial Code, for the following purposes:

- To maintain 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 Financial Markets (AMAFI).
- To cancel all or some of the bought back shares pursuant to an authorization to reduce the share capital given by extraordinary resolution of the shareholders.
- To allot or sell shares to current or former employees or officers of the Company and/or current or future related companies in accordance with the applicable laws and regulations, in connection with stock option, stock grant or employee share ownership plans or otherwise.
- To hold shares in treasury for subsequent delivery in exchange or payment for stock in another company, in connection with external growth transactions.
- To use shares for any current or future market practice accepted by the stock market authorities.

The use of the 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 5,165,900, representing 10% of the shares making up the Company's capital at the date of this Meeting.
- The shares may not be bought back at a price of more than €60 per share.

At 31 December 2012, the Company held 3,094,595 shares in treasury. If these shares are canceled or used, the total amount that the Company may invest in the buyback program will be €309,954,000, for the acquisition of 5,165,900 shares.

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. The shares may be bought back at any time during the period of validity of this authorization, which is given for a period of eighteen months commencing on the date of this Meeting. This authorization supersedes the unused portion of the authorization given in the sixth resolution of the Annual Shareholders Meeting of 26 April 2012.

The shareholders authorize the Board of Directors insofar as necessary to adjust the maximum number of shares and maximum buyback price to take account of the impact on the share price of any change in the par value of the shares or any bonus share issue paid up by capitalizing reserves, any stock split or reverse stock split, any return of capital or any other corporate action, within the above-mentioned limits of 10% of the capital and the €309,954,000.

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, including with the Autorité des Marchés Financiers or any other authority that might replace it, and more generally, do whatever is necessary.

Sixth resolution: Election of a director (Amélie Oudéa-Castéra)

Having considered the report of the Board of Directors and voting in accordance with the quorum and majority rules applicable to ordinary shareholders meetings, the shareholders elect Amélie Oudéa-Castéra as a director for a three-year term beginning on 1 January 2014 and expiring at the close of the Shareholders Meeting to be held in 2016 to approve the 2015 financial statements.

Seventh resolution: Directors' fees

The shareholders resolve to increase the aggregate amount of directors' fees to €300,000, effective from 2013 until a new amount is set by the shareholders.

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EXTRAORDINARY RESOLUTIONS

Eighth resolution: Authorization to the Board of Directors to issue ordinary shares and/or securities with rights to shares and/or securities with rights to debt securities, with pre-emptive subscription rights for existing shareholders

Having considered the report of the Board of Directors and the Auditors' report on the Company financial statements and voting in accordance with the quorum and majority rules applicable to extraordinary shareholders meetings, the shareholders resolve, in accordance with the provisions of the French Commercial Code including Articles L.225-127, L.225-128, L.225-129, L.225-129-2, L.225-132, L.225-133 and L.225-134, L.228-91:

1. To authorize the Board of Directors to issue ordinary shares or other securities with rights to shares of the Company or to debt securities governed by Articles L.228-91 of the French Commercial Code. The authorization may be used on one or several occasions for amounts and on dates to be decided at the Board's discretion, with existing shareholders having pre-emptive subscription rights. The shares or other securities may be paid up in cash or by capitalizing debt or may be issued without consideration.

2. That the issues carried out pursuant to this authorization may not exceed the following aggregate limits:

- The aggregate par value of shares issued pursuant to this authorization may not exceed **€300 million**, not including the par value of any additional shares to be issued in the case of any subsequent corporate actions to protect the rights of stock option holders and/or holders of securities with rights to shares.
- The aggregate nominal value of debt securities issued pursuant to this authorization may not exceed **€150 million**.
- That this authorization will be valid for a period of **twenty-six months** as from the date of this Meeting and supersedes the authorization to the same effect given in the 12th resolution of the Annual Shareholders Meeting of 28 April 2011.

3. That, for any issues carried out pursuant to this authorization:

- Shareholders shall have a pre-emptive right to subscribe for the securities pro rata to their interest in the Company's capital and, if the issue is not taken up in full, to subscribe for any securities not taken up by other shareholders, if necessary on a prorated basis.
- If any issue of shares or debt securities is not taken up in full by shareholders exercising their pre-emptive rights as described above, the Board of Directors may use, in the order of its choice, the various solutions provided for by law such as offering all or some of the shares to the public, or, in the case of securities with rights to shares, offering the unsubscribed securities to the public on the French market.
- That this authorization may be used to issue stock warrants for subscription as described above or to make a free distribution of warrants to existing shareholders.
- That in the case of a free distribution of stock warrants, the Board of Directors may decide not to grant any negotiable rights to fractions of shares, in which case the corresponding shares will be sold, and generally that in the case of a bonus share issue or an increase in the par value of the shares paid up by capitalizing reserves, profits or additional paid-in capital, the Board may decide not to grant any negotiable or transferable rights to fractions of shares, in which case the corresponding shares will be sold.

4. That the Board of Directors will have full powers to use this authorization, directly or through an intermediary designated in accordance with the law, and to set the terms of issue, subscription and payment of the securities, place on record the resulting capital increases and amend the bylaws to reflect the new capital. In particular, the Board of Directors shall:

- Set the terms of exercise of the rights attached to shares or securities with rights to shares or to debt securities issued pursuant to this authorization; decide the rules governing the exercise of any conversion, exchange or redemption rights, involving the delivery of assets such as securities already issued by the Company, or otherwise.
- That, in the case of an issue of debt securities, including debt securities rights to other debt securities governed by Article L.228-91 of the French Commercial Code, the Board of Directors shall decide whether to issue unsubordinated or subordinated securities, and in the latter case decide their ranking for repayment purposes in accordance with Article L.228-

97 of the French Commercial Code, set the interest rate, which may be fixed or variable or indexed to a benchmark rate or payable in full at maturity (zero coupon), the life of the securities, which may be dated or undated, whether they are secured or unsecured, the method of their repayment, in installments or at maturity, for cash or in exchange for assets of the Company. The Board may also decide that the securities may be bought back on the market or that an issue may be retired through a cash or paper offer. In addition, the Board will decide the conditions for exercising the rights to shares of the Company and/or debt securities and may change any of the above terms and conditions during the life of the securities.

- That the Board shall have full discretionary powers to charge the share issuance costs against the related premium and deduct from the premium the amount necessary to increase the statutory reserve to the level required by law after each share issue.
- That the Board shall determine and make any adjustments needed to take into account the impact on the Company's capital of any change in the par value of the shares or any bonus share issues paid up by capitalizing reserves, any stock split or reverse stock split, any distribution of reserves or other assets, any return of capital or any other corporate action, and set the method to be used to protect as necessary the rights of holders of securities with rights to shares.
- That the Board may enter into any underwriting or other agreements, take any and all measures and decisions and carry out any formalities related to the issue, the listing and the servicing of the securities issued pursuant to this authorization, and to the exercise of the rights attached to or resulting from the share issues.

Ninth resolution: Authorization to the Board of Directors to increase the size of issues of shares or securities with rights to shares or to debt securities, with pre-emptive subscription rights, carried out pursuant to the 8th resolution

Having considered the report of the Board of Directors and the Auditors' report on the Company financial statements and voting in accordance with the quorum and majority rules applicable to extraordinary shareholders meetings, the shareholders resolve, in accordance with Article L.225-135-1 of the French Commercial Code:

1. To authorize the Board of Directors to increase the number of shares or other securities to be issued with pre-emptive subscription rights pursuant to the 8th resolution, provided that the additional shares or other securities are offered at the same price as for the original issue, within the period and in the proportions specified in the regulations applicable on the issue date (currently, within thirty days of the end of the subscription period and up to **15%** of the original issue), and that the overall ceiling set in the **8th resolution** is not exceeded. This authorization may only be used to meet demand from shareholders exercising their pre-emptive right to subscribe for shares not taken up by other shareholders and/or by the sellers of pre-emptive subscription rights.

2. That this authorization will be valid for a period of **twenty-six months** from the date of this Meeting.

Tenth resolution: Authorization to the Board of Directors to grant stock options to employees and/or officers of the Company and/or other Group companies

Having considered the report of the Board of Directors and the Auditors' special report, voting in accordance with the quorum and majority rules applicable to extraordinary shareholders meetings, the shareholders resolve:

1. To authorize the Board of Directors, or any person designated by the Board in accordance with the law, to grant stock options to employees and officers or selected officers of the Company or related companies or groupings, on the basis prescribed in Article L.225-180 of the French Commercial Code. The stock option plan or plans will be governed by Articles L.225-177 *et seq.* of the French Commercial Code and the options will be exercisable for existing shares of the Company.

2. That this authorization will be valid for a period of **thirty-eight months** as from the date of this Meeting and supersedes the unused portion of the authorization to the same effect given in the 15th resolution of the Annual Shareholders Meeting of 28 April 2011.

3. That the total number of options granted pursuant to this authorization will not be exercisable for a number of shares in excess of **2.5%** of the total shares outstanding on the grant date, and that said number of shares will be deducted from the number of shares that may be granted to certain employees and/or officers pursuant to the **11th resolution** of this meeting, which is limited to **2.5%** of the shares outstanding on the date of the Board's decision.

4. That the option exercise price will correspond to the share price determined in accordance with Articles L.225-177 and L.225-179 of the Commercial Code, without any discount.

5. That the Board of Directors shall have the necessary powers to use this authorization, within the above limits and subject to compliance with the Company's bylaws, and to:

- Decide the grant dates for each stock option plan, decide the conditions of grant, draw up the list of grantees and the number of options to be granted to each one.
- Specify the periods, if any, during which the right to exercise the options will be suspended due to certain corporate actions.
- Set the option terms, including the exercise price and the exercise period or period(s), provided that the total life of the options does not exceed ten years.
- Stipulate, if appropriate, that all or some of the shares acquired upon exercise of the options will be subject to a lock-up period not exceeding three years.
- Set, in the case of corporate officers, the number of shares that must be held in registered form for as long as they remain in office.
- Decide the basis for adjusting the option exercise price and the number of shares per option in accordance with the law.
- Generally, do everything necessary.

6. That the Board of Directors shall report to the Annual Shareholders Meeting each year on the transactions carried out pursuant to this authorization, in accordance with the applicable law and regulations.

7. To give full powers to the Board of Directors to decide any changes or adjustments to the conditions related to the benefit of stock options granted prior to this Meeting.

Eleventh resolution: Authorization to the Board of Directors to grant rights to shares to employees and/or officers of the Company and/or other Group companies

Having considered the report of the Board of Directors and the Auditors' special report, voting in accordance with the quorum and majority rules applicable to extraordinary shareholders meetings, the shareholders resolve:

1. To authorize the Board of Directors, or any person designated by the Board in accordance with the law, to grant rights to existing shares of the Company, in accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code.

2. That this authorization will be valid for a period of **thirty-eight months** as from the date of this Meeting and supersedes the unused portion of the authorization to the same effect given in the 16th resolution of the Annual Shareholders Meeting of 28 April 2011.

3. That the total number of shares that may be granted pursuant to this authorization may not exceed **2.5%** of the total shares outstanding on the date of the Board's decision to grant shares to selected employees and/or officers of the Company and/or related companies or groupings in accordance with the law, and that said number of shares will be deducted from the number of shares that may be granted to certain employees and/or officers pursuant to the **10th resolution** of this meeting, which is limited to **2.5%** of the shares outstanding on the date of the Board's decision.

4. That the shares will vest, at the Board's discretion:

- Either at the end of a vesting period of at least two years, for all or some of the share rights, to be followed by a two-year lock-up period except in the circumstances provided for by law.
- Or at the end of a vesting period of at least four years, for all or some of the share rights, in which case no lock-up period will apply.

5. That the Board of Directors shall have full powers to use this authorization within the above limits and to:

- Determine the number of share rights to be allocated to each grantee.
- Set the conditions and, if appropriate, the criteria applicable to the share rights, including the vesting period and the lock-up period.
- Allow for the possibility of extending the vesting period and reducing the lock-up period, such that the total period between the grant date and the date when the shares become freely transferable is unchanged.
- Adjust the price at which the shares may be acquired and the number of shares per right in the case of any corporate actions that have the effect of modifying the Company's share price.
- Determine the dates and terms of the grants and the conditions for the exercise of the rights in accordance with the applicable laws and regulations, and generally take all necessary measures and sign all agreements to permit the share grants to be made and the rights to be exercised.

Twelfth resolution: Extension of the Company's term and amendment of article 5 (Term) of the bylaws

Having considered the report of the Board of Directors, voting in accordance with the quorum and majority rules applicable to extraordinary shareholders meetings and in application of Article 1844-6 of the French Civil Code, the shareholders resolve to extend the Company's term by 99 years as from the date of this Meeting. The shareholders therefore resolve to amend Article 5 of the Company's bylaws as follows:

Article 5 – Term

"The Company's term, initially set at 99 years from the date of its incorporation, was extended by 99 years by decision of the Annual General Meeting of 25 April 2013. Consequently, the Company's term will expire on 24 April 2112 unless it is wound up in advance or its term is extended."

Thirteenth resolution: Three-for-one stock-split and amendment of Articles 6 (Share capital) and 11 (Administration) of the bylaws

Having considered the report of the Board of Directors and voting in accordance with the quorum and majority rules applicable to extraordinary shareholders meetings, the shareholders resolve:

- To divide the par value of the shares by three, from €0.17 to €0.05666 and multiply the number of shares by three.
- To round up the par value of the shares to €0.06, representing an aggregate increase of €516,590.07.
- To transfer €516,590.07 from revenue reserves to the capital account and thus to increase the capital from €8,782,031.19 to €9,298,621.26.
- To amend Articles 6 (Share capital) and 11 (Administration) of the bylaws to read as follows:

Article 6 – Share capital (New)

"The share capital is set at €9,298,621.26. It is divided into 154,977,021 shares with a par value of €0.06, all in the same class."

Article 11 – Administration – paragraph 2 (New)

"While serving on the Board, each director must own at least 900 Plastic Omnium shares."

The remainder of this article is unchanged.

The shareholders instruct the Board of Directors to implement this resolution in accordance with the limits specified above within **fifteen months** of this Meeting, and to:

- Set the effective date of this resolution and, consequently, the date on which the three-for-one stock-split will be applied by Euroclear France to adjust the number of shares held in the accounts of Euroclear France members, for bearer or administered registered shares, or in individual share accounts for registered shares.

- Formally acknowledge that the reduction in the shares' par value and the corresponding allocation of new shares to shareholders has no impact on:

• The double voting rights provided for in the bylaws, as the new shares allocated in respect of shares with double voting rights will also have double voting rights.
• The rights and obligations attached to each share, with the new shares carrying the same rights as the old shares.

- Place on record that, as a result of the reduction in the par value of the shares:

• The number of stock options granted to employees and/or officers of the Company and/or the Group companies fulfilling the criteria laid down in Article L.225-180 of the French Commercial Code will be multiplied by three and their exercise price will be divided by three.
• The number of rights to shares granted by the Board of Directors to employees and officers of the Company fulfilling the criteria laid down in Article L.225-197-2 of the French Commercial Code will be multiplied by three.
• The maximum number of shares that may be bought back pursuant to the **5th resolution** of this Meeting will be increased to 15,497,700 and the maximum buyback price will be reduced to €20.

Fourteenth 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.

8.3 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS PRESENTED AT THE ANNUAL GENERAL MEETING OF 25 APRIL 2013

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REPORT OF THE BOARD OF DIRECTORS ON THE ORDINARY RESOLUTIONS PRESENTED AT THE ANNUAL SHAREHOLDERS MEETING

Approval of the 2012 Company financial statements (1st resolution)

The **first resolution** seeks shareholder approval of the Company financial statements for the year ended 31 December 2012 which show net profit of **€252,587,334.69**.

Appropriation of 2012 net profit and recommended dividend (2nd resolution)

The **second resolution** concerns the proposed appropriation of 2012 net profit and approval of the recommended dividend.

	(in euros)
Retained earnings at 31 December 2012	418,149,536.73
Net profit for the year	252,587,334.69
Total amount to be appropriated	670,736,871.42

The Board of Directors recommends that this amount be appropriated as follows:

	(in euros)
Total net dividend for 2012, to be paid out of:	39,260,845.32
• 2012 profit, for	0
• Retained earnings, for	39,260,845.32

If this resolution is adopted, the 2012 net dividend will amount to **€0.76** per share, corresponding to a total payout of €39,260,845.32.

The dividend attributable to treasury shares held by the Company will be transferred to retained earnings.

The shares will trade ex-dividend from 29 April and the dividend will be paid on 3 May 2013.

Individual shareholders resident in France for tax purposes will qualify for the 40% tax relief provided for in Article 158-3-2 of the French General Tax Code on the total dividend.

Approval of related-party agreements (3rd resolution)

The **third resolution** requests shareholder approval, as required by Article L.225-38 of the French Commercial Code, of the related-party agreement described in the Auditors' special report and entered into or remaining in effect in 2012.

Approval of the consolidated financial statements for the year ended 31 december 2012 (4th resolution)

The **fourth resolution** seeks shareholder approval of the consolidated financial statements for the year ended 31 December 2012, showing net profit attributable to owners of the parent of **€173,382 thousand**.

Authorization to the board of directors to trade in the Company's shares (5th resolution)

At the Annual Meeting of 26 April 2012, the shareholders authorized the Company to trade in its own shares on the following terms and conditions:

Maximum buyback price:	€60 per share
Maximum number of shares that may be held:	10% of the outstanding shares
Maximum investment in the buyback program:	€315,502,740

Between 26 April 2012 and 15 February 2012, the Company:

- Bought back 1,367,041 shares for a total of €27,244,850.24 or an average of €19.93 per share, including 690,957 shares under the liquidity contract and 676,084 shares directly.
- Sold 718,397 shares under the liquidity contract for a total of €15,339,540.98 or an average of €21.35 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 26 April 2012 expires on 25 October 2013.

You are being asked to renew this authorization for a further period of **18 months**.

Share buybacks allow an investment firm to make a market in Compagnie Plastic Omnium shares under a liquidity contract that complies with the Code of Ethics issued by the French Association of Investment Firms (AFEI), while the cancellation of shares bought back under the program improves our return on equity and earnings per share.

Shares can also be bought back for stock option and stock grant plans for employees or officers, or for delivery in connection with financial transactions, or to cover securities with rights to shares, or for any market practice accepted by the stock market authorities.

The Board would not be authorized to use this authorization while a takeover bid for the Company's shares was in progress.

We are seeking the renewal of this authorization on the following terms:

Maximum purchase price:	€60 per share
Maximum number of shares that may be held	10% of the outstanding shares
Maximum investment in the buyback program:	€309,954,000

Election of a new director (Amélie Oudéa-Castéra) (6th resolution)

The **sixth resolution** concerns the election to the Board of Amélie Oudéa-Castéra. She would take up her seat on 1 January 2014 and her term would expire at the close of the Annual Shareholders Meeting to be called in 2016 to approve the 2015 financial statements.

Directors' fees (7th resolution)

The **seventh resolution** proposes to raise the amount of directors' fees to €300,000 effective from 2013.

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REPORT OF THE BOARD OF DIRECTORS ON THE EXTRAORDINARY RESOLUTIONS PRESENTED AT THE ANNUAL SHAREHOLDERS MEETING

Authorization to the board of directors to issue ordinary shares and/or securities with rights to shares and/or securities with rights to debt securities, with pre-emptive subscription rights for existing shareholders (8th resolution)

The authorization given to the Board of Directors by the Annual Shareholders Meeting of 28 April 2011 to issue securities with pre-emptive subscription rights expires in June 2013.

This authorization has not been used.

The purpose of the **eighth resolution** is to renew this authorization, so that the Board of Directors continues to be in a position to carry out the types of issues best suited to market conditions when necessary.

The authorization concerns issues, with pre-emptive subscription rights, of ordinary shares or securities with rights to shares, including free distributions, governed by Articles L.228-91 *et seq.* of the French Commercial Code.

We are asking shareholders to renew this authorization for a further period of **26 months** from the date of this Meeting. This will have the effect of cancelling all earlier authorizations to the same effect.

The authorization could be used to issue shares, directly or on a deferred basis, for a total of **€300 million** excluding premiums.

The Board would be authorized to carry out one or several issues, in the best interests of the Company and its shareholders, and may choose to give shareholders a pre-emptive right to subscribe for any securities not take up by other shareholders, as provided for by law.

The authorization could be used to issue stock warrants for cash or to make a free distribution of warrants to existing shareholders.

If an issue is not taken up in full by shareholders exercising their pre-emptive rights, the Board may decide, in the order of its choice and in accordance with the law, to limit the issue to the subscriptions received, or freely allocate all or some of the unsubscribed securities, or offer all or some of the unsubscribed securities to the public.

This authorization would also cover the issue of up to **€150 million** worth of securities with rights to debt securities on the basis described above.

Lastly, the Board would have full powers to charge the share issuance costs against the related premium and deduct from the premium the amount necessary to increase the statutory reserve to the level required by law after each share issue.

Authorization to the board of directors to increase the size of issues of shares or securities with rights to shares or to debt securities, with pre-emptive subscription rights, carried out pursuant to the 8th resolution (9th resolution)

As allowed by law, the **ninth resolution** would authorize the Board to increase the number of securities to be issued with pre-emptive subscription rights pursuant to the **eighth resolution** in the event that the issue is oversubscribed or in response to market volatility. The additional securities would be offered at the same price as for the original issue, within the period and in the proportions specified in the applicable regulations.

The Board would be authorized to issue, within thirty days of the close of the original subscription period, securities representing up to 15% of the original issue at the same price. In this case, the total issue including the additional securities would not exceed the ceiling specified in the **ninth resolution** and the additional securities would be issued for the sole purpose of meeting demand from shareholders exercising their pre-emptive right to subscribe for shares not taken up by other shareholders and/or by the sellers of pre-emptive subscription rights.

The new authorization is being sought for a period of **26 months** from the date of this Meeting and would supersede all earlier authorizations to the same effect. It corresponds to the renewal of the authorization to the same effect given to the Board of Directors by the Annual Shareholders Meeting of 28 April 2011, which expires in June 2013 and has not been used.

Authorization to the board of directors to grant stock options to employees and/or officers of the Company and/or other group companies (10th resolution)

The authorization given to the Board of Directors at the Annual Shareholders Meeting of 28 April 2011 (15th resolution) to grant stock options to employees and/or officers of the Company and/or other Group companies expires in June 2014.

The purpose of the **tenth resolution** is to give the Board of Directors a new authorization to grant options on shares held in treasury by the Company.

The options would be granted to employees and selected officers of the Company and certain related companies. The total number of options granted pursuant to this authorization would not be exercisable for a number of shares in excess of **2.5%** of the total shares outstanding on the grant date, and the shares would be deducted from the number of shares that could be granted pursuant to the **11th resolution** of this meeting.

The option exercise price would be set by the Board of Directors in accordance with Articles L.225-177 and L.225-179 of the French Commercial Code and would correspond to the average of the prices quoted for Compagnie Plastic Omnium shares over the twenty trading days preceding the option grant date. Articles L.225-208 and L.225-209 of the French Commercial Code authorize companies to offer a 20% discount on the above average price; however, the Board does not intend to seek an authorization to apply any discount.

The Board would have full powers to draw up the list of grantees, decide the number of options to be granted to each one and the option vesting conditions.

This authorization is being sought for a period of **38 months** from the date of this Meeting and would supersede all earlier authorizations to the same effect.

Authorization to the board of directors to grant rights to shares to employees and/or officers of the Company and/or other group companies (11th resolution)

The authorization given to the Board of Directors by the Annual Shareholders Meeting of 28 April 2011 (16th resolution) to grant rights to shares to employees and/or officers of the Company and/or related companies, will expire in June 2014.

The purpose of the eleventh resolution is to grant the Board of Directors a new authorization to grant rights to shares to employees and/or officers of the Company and/or related companies on the basis laid down by law and in accordance with Articles L.225-197-1 to L.225-197-3 of the French Commercial Code.

The total number of shares that could be granted pursuant to this authorization would not exceed **2.5%** of the total shares outstanding on the grant date, after deducting the number of shares concerned by any stock option plans set up pursuant to the **10th resolution**.

The rights would be exercisable for shares held in treasury stock.

All or some of the grants would be subject to a vesting period of at least two years, followed by a two-year lock-up period. However, if the grants were to be subject to a four-year vesting period, the lock-up period could be waived so that the shares would be freely transferable at the end of the vesting period.

The Board would be authorized to draw up the list of grantees from among the employees and officers of the Company and any companies or groupings in which the Company holds at least 10% of the capital and voting rights, directly or indirectly. The Board would also be authorized to set the terms and conditions of grant and any related criteria. The authorization could be used to set up one or several plans.

In accordance with Article L.225-197-4 of the French Commercial Code, the Board would report to shareholders at the Annual Shareholders Meeting on the transactions carried out pursuant to this authorization.

The authorization is being sought for a period of **38 months** from the date of this Meeting and supersedes the authorization to the same effect given at the Annual Shareholders Meeting of 28 April 2011.

Extension of the Company's term and amendment of Article 5 of the bylaws (12th resolution)

Shareholders are invited to approve a resolution extending the Company's term, which is currently set to expire on 31 December 2017, and to amend Article 5 (Term) of the bylaws accordingly.

The amendment would define a new term of 99 years, starting from this Meeting and ending on 24 April 2112.

Three-for-one stock-split and amendment of Articles 6 and 11 of the bylaws (13th resolution)

To create a more liquid market for the Company's shares and make them more affordable for retail investors, the **thirteenth resolution** proposes dividing the par value of the shares by three, from €0.17 to €0.06 and consequently multiplying the number of shares by three.

To avoid this three-for-one stock-split resulting in the shares having a par value of €0.05666 each, the Board proposes increasing the par value to €0.06, to be paid up by capitalizing revenue reserves.

The Board would implement this resolution and place on record the new capital within fifteen months of this Meeting.

Shareholders would be allocated three new €0.06 par value shares for each existing €0.17 par value share. Directors would be required to hold 900 qualifying shares, compared with 300 before the stock-split.

Articles 6 and 11 of the bylaws would be amended to read as follows:

Article 6 – Share capital (New)

"The share capital is set at €9,298,621.26. It is divided into 154,977,021 shares with a par value of €0.06, all in the same class."

Article 11 – Administration – paragraph 2 (New)

"While serving on the Board, each director must own at least 900 Plastic Omnium shares."

The remainder of this article is unchanged.

Powers to carry out formalities (14th resolution)

The purpose of the **fourteenth resolution** is to authorize the bearer of an original, a copy or an extract of the minutes of the Meeting to carry out any and all legal publication formalities.

Employee share ownership

As the Company does not have any employees, no resolution is being presented renewing the authorization given to the Board of Directors to carry out an employee rights issue, as provided for in Article L.225-129-6-1 (amended) of Act 2011-525 of May 17, 2011.

The Board of Directors

8.4 STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND OTHER SECURITIES WITHOUT CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

–

EXTRAORDINARY MEETING OF SHAREHOLDERS HELD ON 25 APRIL 2013

8th resolution

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 authorize your Board of Directors to decide whether to proceed with an issue with of shares and/or other securities which give access to capital or which give access to the attribution of debt instruments, an operation upon which you are called to vote.

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 into account the additional number of capital securities to be created under the conditions set out in Article L. 225-135-1 of the French Commercial Code (Code de commerce), if you adopt the 9th resolution.

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 an issue as from the date of this General Assembly. 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 et seq. 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' 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 to issue ordinary shares and/or which give entitlement to the grant of debt securities.

Paris-La Défense, 27 February 2013

The statutory auditors
French original signed by

ERNST & YOUNG ET AUTRES	MAZARS
Gilles RABIER	Jean-Luc BARLET

8.5 STATUTORY AUDITORS' REPORT ON SHARE PURCHASE PLANS

–

EXTRAORDINARY MEETING OF SHAREHOLDERS HELD ON 25 APRIL 2013

10th 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, of the company or companies or groupings that are related to it in the conditions set out in Article L 225-180 of the French Commercial Code (Code de Commerce), an operation on which you are called to vote.

The total number of shares that is likely to be granted in respect of this authorization may not give entitlement to buy a total number of shares higher than 2.5% of the capital stock on the day of the decision of their allocation by the Board of Directors, it being said that the total number of the shares that will be freely granted according to the 11th resolution will be deducted from this amount.

Your Board of Directors proposes that, on the basis of its report, it be authorized for a period of thirty eight months, as from the date of this General Assembly, to grant the share purchase plan.

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 notably 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 and do not appear manifestly inappropriate.

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

Paris-La Défense, 27 February 2013

The statutory auditors
French original signed by

ERNST & YOUNG ET AUTRES — MAZARS

Gilles RABIER — Jean-Luc BARLET

8.6 STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND OTHER SECURITIES WITHOUT CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

–

EXTRAORDINARY MEETING OF SHAREHOLDERS HELD ON 25 APRIL 2013

11th resolution

To the Shareholders,

In our capacity as Statutory Auditors of your company and in compliance with article 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 your company and companies of which 10% of the voting rights are held, directly or directly, by your company, an operation on which you are called to vote.

The total number of shares that are likely to be allocated in respect of this resolution may not exceed 2.5% of capital stock at the date the decision of the free allocation will be taken by the Board of Directors, it being said that the total number of shares that will be bought in respect of the 10th resolution will be deducted from this amount.

Your Board of Directors proposes that, on the basis of its report, it be authorized for a period of thirty-eight months, starting this day, to decide on the free allocation of existing shares.

It is the responsibility of the Board of Directors to prepare a report on this operation it wishes to perform. Our role is to report to you, if necessary, our observations on the information that is provided to you on the planned allocation.

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 notably consisted in verifying that the proposed methods and data 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.

Paris-La Défense, 27 February 2013

The Statutory Auditors
French original signed by

ERNST & YOUNG ET AUTRES — MAZARS

Gilles RABIER — Jean-Luc BARLET

09

ADDITIONAL **INFORMATION**

9.1 DEPENDENCE

Compagnie Plastic Omnium does not currently rely on any patents or manufacturing processes owned by third parties or on any special supply contracts to conduct its business.

In the sector of the automotive industry in which Compagnie Plastic Omnium operates subcontractors do not generally define the technical specifications for subcontracted parts. When on rare occasions subcontractors are in a position to do this, the Group's policy is to contractually arrange for the subcontractor concerned to transfer the relevant design work in order for it to be used in conjunction with other services.

Agreements entered into by the Company which would be amended or terminated in the event of a change in control of the Company

The indenture for the bond issue of 12 October 2012 includes an early redemption clause in the event that there is a change in control of the Company (see prospectus dated 10 October 2012 approved by the Autorité des Marchés Financiers under number 12-480).

Agreements whose implementation could result in a change in control of the Company or which could postpone or prevent a change in control

There are currently no deeds, bylaws, charters, regulations or contractual provisions in place that could postpone or prevent a change in control of the Company.

Factors that could affect a public tender offer

None.

Material contracts

There are currently no material contracts (other than those entered into in the ordinary course of business) that could give any Group member obligations or entitlements that would have a major impact on Plastic Omnium's ability to fulfill its obligations towards the relevant parties.

The Company's material financial contracts (contracts related to financing arrangements) are described in the "Risk Management" section of the notes to the consolidated financial statements.

Material property, plant and equipment

The Group's operating subsidiaries own manufacturing assets, and at 31 December 2012 these companies had a total of 107 plants in 29 countries.

The Group's geographic coverage is closely related to where its main automaker customers are located, in order to optimize sales flows – through just-in-time deliveries – as well as financial flows.

At 31 December 2012 the Group's manufacturing plants broke down as follows by geographic region:

- Western Europe — 48 plants
- Eastern Europe — 12 plants
- North America — 16 plants
- Asia — 24 plants
- South America — 5 plants
- Africa — 2 plants

None of the Company's plants individually represents a material proportion of its total property, plant and equipment.

Legal risks, litigation and arbitration procedures

At the date of this Annual Report there are no governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware) that could have, or have had in the past twelve months, a material impact on the financial position or profitability of the Company and/or the Group.

Auditors

The financial statements of Compagnie Plastic Omnium are audited by:

Statutory Auditors

Ernst & Young Audit
Represented by Gilles Rabier
Tour Ernst & Young
11, allée de l'Arche
92037 Paris-La Défense Cedex
France

Mazars
Represented by Jean-Luc Barlet
61, rue Henri Régnault
92075 Paris-La Défense Cedex
France

The Statutory Auditors' terms of office were renewed on 29 April 2010 for a period expiring at the Annual Shareholders Meeting to be called to approve the financial statements for the year ending 31 December 2015.

The Statutory Auditors are members of the Versailles Chamber of Auditors (Compagnie Régionale de Versailles).

Alternate Auditors

AUDITEX
Tour Ernst & Young, Faubourg de l'Arche,
92037 La Défense Cedex
France

Gilles Raynaut
61, rue Henri Régnault
92075 Paris-La Défense Cedex
France

9.2 PERSON RESPONSIBLE

Person responsible for the Annual Report

Laurent Burelle, Chairman and Chief Executive Officer of Compagnie Plastic Omnium

Statement by the person responsible for the Annual Report

"I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Annual Report is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements for 2012 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and its subsidiaries, and the Management Report represents a fair view of the business, results and financial position of the Company and its subsidiaries and provides a description of the main risks and uncertainties to which they are exposed."

Laurent Burelle
Chairman and Chief Executive Officer

9.3 DOCUMENTS AVAILABLE TO THE PUBLIC

All of the following documents (or copies thereof) are available to the public in accordance with the applicable legal terms and conditions at the Company's headquarters (19, avenue Jules Carteret, 69007 Lyon, France):

- the articles of incorporation and bylaws of Compagnie Plastic Omnium.
- the historic financial information of Compagnie Plastic Omnium and its subsidiaries for each of the two fiscal years prior to publication of this Annual Report.
- Statutory Auditors' reports.

All of the Company's financial news (including this Annual Report) and all information documents published by Compagnie Plastic Omnium can be viewed on the Company's website at www.plasticomnium.com.

PLASTIC OMNIUM

WWW.PLASTICOMNIUM.COM

This document is also available in French.

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