

2016: a record and structuring year

- **Economic revenue:** €6,936 million, up by 15.9% (€5,857 million consolidated, up by 16.9%)
- **Operating margin:** €558 million (9.5% of consolidated revenue), up by 18.7%
- **Net profit - Group share:** €312 million, up by 20.8%
- **EBITDA:** €810 million (13.8% of consolidated revenue), up by 17.2%
- **Free cash flow:** €241 million (4.1% of consolidated revenue), up by 19.2%
- **Net debt:** €800 million, representing 53% of equity and 1.0x EBITDA

Laurent Burelle, Chairman and Chief Executive Officer of Plastic Omnium, stated:

"2016 was an exceptional year.

Firstly from a financial perspective, Plastic Omnium has set new records with double-digit growth seen repeatedly in all the group's financial aggregates.

From a strategic perspective, Plastic Omnium closed the most important acquisition in its history by integrating the Faurecia Exterior Systems business. This large-scale operation has given the Group a new dimension - 2016 pro forma revenue of €7.5 billion - and provided leverage to grow both its customer portfolio and technological potential. Furthermore, Plastic Omnium has sold off a number of non-strategic activities in order to focus on its core businesses, namely the automotive industry and the environment.

From a commercial perspective, business was very intense and confirmed the success of a growth strategy driven by the addition of new industrial facilities, gains in market shares and the success of our innovation portfolio geared to a reduction in weight (CO₂) and emissions (NO_x).

From an industrial perspective, Plastic Omnium has the benefit of an optimized industrial footprint that drives the growth. Four new plants were commissioned during the year, while five were shut down and five others are now under construction worldwide.

From the viewpoint of innovation, Plastic Omnium is readying itself for the changes that will affect mobility and energies in tomorrow's automotive industry with the creation of a start-up in the field of fuel cells and supercapacitors, E-POCellTech, and the launch of the construction of an advanced research and innovation center for new energies, Δ-Deltatech, which will be based in Brussels.

Buoyed by these results and these significant steps forward, we are looking forward to 2017 with confidence, fully assured of our ability to pursue our profitable growth strategy."

2016 results: strong growth, improved profitability and significant cash generation

The Board of Directors of Compagnie Plastic Omnium met on February 22, 2017, under the Chairmanship of Laurent Burelle, and approved the consolidated financial statements as at December 31, 2016.

In €m	2015	2016	% change
Economic revenue ¹	5,982.5	6,935.7	+15.9%
Consolidated revenue ²	5,009.9	5,857.3	+16.9%
Operating margin ³ <i>in % of consolidated revenue</i>	469.7 9.4%	557.8 9.5%	+18.7%
Net profit - Group share	258.4	312.1	+20.8%
EBITDA ⁴ <i>in % of consolidated revenue</i>	691.1 13.8%	810.0 13.8%	+17.2%
Investments	322.7	402.1	+24.6%
Free cash flow ⁵	202.0	240.7	+19.2%
Net debt ⁶ at 12/31	268	800	+€532m
Net debt/shareholders' equity	21%	53%	+32pt
Net debt/EBITDA	0.4	1.0	+0.6pt

- (1) Economic revenue corresponds to consolidated revenue plus revenue from Group's joint ventures at the percentage of their share in the Group: BPO, HBPO and YFPO for Plastic Omnium Automotive. The figure reflects the operational and managerial realities of the Group.
- (2) The consolidated revenue, in implementation of IFRS Standards 10-11-12, does not include the share of joint ventures, which are consolidated using the equity method.

Strong business growth for Plastic Omnium

Compagnie Plastic Omnium's economic revenue¹ amounted to €6,935.7 million as at December 31, 2016, growth of 15.9% and of 12.1% at constant scope and exchange rates.

In €m, by business segment	2015	2016	% change	Like-for-like
Automotive	5,596.7	6,566.8	+17.3%	+12.8%
Environment	385.8	368.9	-4.4%	+0.9%
Economic revenue¹	5,982.5	6,935.7	+15.9%	+12.1%
Automotive	4,624.1	5,488.3	+18.7%	+12.4%
Environment	385.8	368.9	-4.4%	+0.9%
Consolidated revenue²	5,009.9	5,857.3	+16.9%	+11.6%

On July 29, 2016, Plastic Omnium completed the acquisition the Exterior Systems business from Faurecia, thereby cushioning its position as world leader in the production of bumpers and plastic

body parts with market share of 15%. This acquisition provided an input of €413 million to 2016 automotive business revenue.

Consolidated revenue² reported by Compagnie Plastic Omnium amounted to €5,857.3 million as at December 31, 2016, growth of 16.9% and of 11.6% at constant scope and exchange rates.

Growth in all geographic regions

In €m and as a % of revenue, by geographic region	2015	2016	% change	Like-for-like
Europe/Africa	3,135.6 52%	3,735.2 54%	+19.1%	+9.7%
North America	1,683.3 28%	1,813.8 26%	+7.8%	+7.7%
South America	162.3 3%	198.4 3%	+22.2%	+37.2%
Asia	1,001.3 17%	1,188.4 17%	+18.7%	+23.0%
Economic revenue¹	5,982.5 100%	6,935.7 100%	+15.9%	+12.1%

Automotive Division: highly sustained growth throughout 2016

The economic revenue¹ of Plastic Omnium Automotive reached €6,566.8 million. It grew by 17.3% and by **12.8%** at constant scope and exchange rates in a worldwide automotive production up by 4.8% in 2016, i.e. a **market outperformance of 8.0 points**. This reflects the robustness of our backlog, the ramping-up production from new facilities (Mexico, UK and China), and the success of our portfolio of innovative products.

Business was sustained in Europe, which accounts for 52% of total automotive sector revenue¹. In a dynamic context of a 3.8% production increase, Plastic Omnium grew by 10.9%, at constant scope and exchange rates. Business was particularly strong in 2016 in the UK (up by 28.5%) thanks in particular to the commissioning of the Warrington-Liverpool plant for exterior parts for Jaguar Land-Rover in June 2016. Additionally, the development of SCR systems for reducing diesel vehicle emissions continues to expand with a surge of 50% over the year, taking revenue up to €306 million.

Business in North America posted growth of 7.7% in 2016 at constant scope and exchange rates. Over the 2nd half of 2016, revenue in North America rose by 10.9%, again at constant scope and exchange rates, i.e. an outperformance of 10.1 points, confirming that this region will be a major growth area for the Group with the commissioning of new facilities in Mexico and in the United States. In North America, the Group benefited from a significant exposure on SUV models, that account for around 75% of our business.

Business in Asia, including China, increased by 22.9%, at constant scope and exchange rates. In China, which represents economic revenue of €634 million, i.e. 10% of total revenue, business growth at constant exchange rates amounted to **30.8%** for the year in an automotive production that rose by 14.3%, i.e. an outperformance of 16.5 points. The Group benefited from the high investments made over the last three years to develop the industrial footprint, consisting of 26 plants, and increase market shares, particularly with Chinese carmakers – there are currently 18

^{1,2} Financial aggregates are defined on page 7 of the present press release.

local customers – which represent a growing share of revenue produced in China (currently 14%), specifically with SUVs. In the rest of Asia, growth in business came to 14.6% at constant scope and exchange rates, driven by Japan, India and South Korea.

Environment Division: a return to growth for a division that has refocused business and now benefits from an enhanced range of products and services

Revenue from the Environment Division amounted to €368.9 million as at December 31, 2016, a slight rise (up by 0.9% at constant scope and exchange rates). We remind you that in order to concentrate its waste-containerization business, Plastic Omnium Environment disposed of the following assets during the year:

- Signature Limited, its UK subsidiary, specialized in highway signage;
- its resin playground manufacturing plant in Montauban;
- Emballagen GmbH, a subsidiary based in Germany, specialized in the development, production and marketing of metal drums for the chemicals industry.

These three disposals represent annual revenue of approximately €60 million.

The Environment Division produced growth of 4.2% at constant exchange rates and scope over the 2nd half of the year, boosted by good commercial momentum and the enhancement of its product range and services.

Results are growing faster than revenue

In 2016, the operating margin posted a hike of 18.7% and rose to €557.8 million, i.e. 9.5% of consolidated revenue, versus €469.7 million in 2015, i.e. 9.4% of consolidated revenue.

The operating margin for the Automotive Division amounted to €533.3 million as at December 31, 2016, i.e. 9.7% of consolidated revenue, versus €446.7 million as at December 31, 2015. The Automotive Division has maintained its operating margin at 9.7% despite the dilutive effect of the acquisition of Faurecia Exterior Systems business on July 29, 2016, thanks to:

- a high utilization rate (85%) of its production capacity worldwide;
- the operational excellence employed during the 160 launches of new programs completed throughout the year;
- a strict cost control;
- and the first effects of recovery measures aimed at Faurecia Exterior Systems business (merger of 2 organizations, adjustment of the program portfolio, the closure of plants in the United States in 2016 and in Brazil early 2017, streamlining of the workforce, etc).

Plastic Omnium Environment made good headway during 2016 and reached an operating margin of €24.4 million, i.e. 6.6% of consolidated revenue (versus €23.0 million and 6.0% of consolidated revenue in 2015), benefiting from strict cost control and buoyant activity at the French and German sites.

Moreover, to further improve competitiveness, Plastic Omnium strengthened its efforts aimed at industrial and organizational efficiency, recording non-recurring expenses of €85.3 million (€75.5 million in 2015).

Net income grew by 21.1% to €318.3 million. This represents 5.4% of consolidated revenue. Net profit - Group share came to **€312.1** million (i.e. 5.3% of consolidated revenue), growth of 20.8%.

Sustained investments and strong generation of cash

Group EBITDA reached €810.0 million (13.8% of consolidated revenue) up by 17.2%, and net cash from operations came to €732.6 million (12.5% of consolidated revenue), an increase of 20.9%.

Engaged in a sustained investment program totaling €2.5 billion over the 2016-2020 period, the Group invested €402.1 million in 2016, i.e. 6.9% of consolidated revenue (versus €322.7 million i.e. 6.4% of consolidated revenue in 2015), a rise of 24.6%. Plastic Omnium commissioned four plants during the year: an exterior body parts plant in the UK (Warrington-Liverpool), a front-end module plant in Mexico (San Jose Chiapa), a fuel systems plant, also in Mexico (Leon) and an exterior body parts plant in China (Harbin). At the same time, the Group successfully launched 160 automotive programs.

In this context of robust investment, the Group generated **free cash flow of €240.7 million** in 2016, i.e. 4.1% of consolidated revenue, a 19.2% increase over 2015.

A structuring acquisition and a sound financial position

Net debt amounted to €800 million, down by €532 million compared with December 31, 2015, after the payment of €63 million in dividends and the buyback of treasury shares for a net amount of €37 million. It includes the acquisition of Faurecia's Exterior Systems business completed July 29, 2016 for an enterprise value of €665 million. The Group's net debt now represents 53% of equity and 1.0x EBITDA.

Dividend per share to €0.49

The Board of Directors will propose, at the Shareholders' Meeting of April 27, 2017, a dividend of €0.49 per share, an increase of 20% from the preceding year. The dividend will be paid on May 5, 2017, after approval by the Shareholders' Meeting.

Ongoing disposals

Further to Plastic Omnium's plan to disengage from its truck business, the Group received a firm offer for its acquisition from a German group on November 18, 2016. This business, involving the design and manufacture of body and structural parts for the truck industry, employs around 1,500 people and produces revenue of €190 million. The acquisition should be finalized during the 1st half of 2017.

Furthermore, according to the decision from the European Commission calling on Plastic Omnium to disengage from certain assets included in the acquisition of Faurecia Auto Exterior, the Group began exclusive negotiations, on December 23, 2016, with an American group for the disposal of seven European sites based on an enterprise value of €200 million. These assets represent revenue around €700 million and employ 2,000 people. The operation should be completed in the 1st half of 2017 further to approval from the European antitrust authorities.

2017 Outlook

In 2017, the Group will record strong growth thanks to the full 12-month integration of the new expanded scope of business and to recurring outperformance from automotive production worldwide expected to grow by 1 to 2% in 2017.

The Group will therefore continue to grow in all geographic regions.

The Group will pursue its investment program of €2.5 billion over the 2016-2020 period in order to:

- continue to outperform worldwide automotive production;
- prepare the Group for technological changes in the automotive industry;
- improve the performance of newly acquired businesses.

In 2017, Plastic Omnium will pursue its strategy of profitable growth generating cash, and post a rise in its operating margin and net profit - Group share results.

Plastic Omnium can confirm that its business will continue to outperform worldwide automotive production and achieve economic revenue of €9.5 billion in 2020 (i.e. up by 60% over the year 2015).

Webcast presentation of the annual results

The presentation of results in English with simultaneous translation into French will be held on Thursday February 23, 2017 at 10:45 a.m. Paris time.

It will also be accessible by webcast on the website of Groupe Plastic Omnium and by telephone to:

- France: +33 (0)1 72 00 15 10
- United Kingdom: +44 203 043 2440
- Germany: +49 6922 2229 031
- Spain: +34 914 142 021
- United States: +1 877 887 4163

Access codes:

- French: 84846181#
- English: 65834109#

More detailed financial information can be found on the website, at www.plasticomnium.com.

Calendar

April 25, 2017 – Revenue from 1st quarter 2017

April 27, 2017 – Shareholders' Meeting

July 21, 2017 – Results for the 1st half-year 2017

Glossary

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

Status of financial statements with respect to the audit:

As at the date of this release, the audit procedures for financial statements have been completed and the Statutory Auditors' report has been issued.

This press release is published in French and in English. In case of a discrepancy between these versions, the original version drafted in French shall prevail.